

EUROPEAN NEWS

Andreotti Government is likely to collapse soon

BY DOMINICK J. COYLE

THE IMMINENT collapse of Italy's 13-month-old minority government is now accepted both by the ruling Christian Democrats and the main opposition parties, including the Communists. The precise schedule for the country's latest political crisis is expected to be determined on Wednesday at a meeting of the Christian Democrats' governing council.

The Communists, publicly at any rate, are continuing to press for their inclusion in a new emergency government. This prospect is understood to have led to the recall to Washington for consultations of the U.S. ambassador to Rome, Mr. Richard Gardner.

The Christian Democrat leadership, however, would rather face new elections than concede the Communists' long-cherished proposal for the so-called "compromesso storico," or grand alliance in government of all Italy's democratic parties.

Sig. Giulio Andreotti's Government has survived in office since the inconclusive general election in June 1976, because of abstentions in Parliament by the Communists and by the other (much smaller) opposition parties.

But the Communists insist that this formula cannot continue. They charge that an alliance on policies reached with the Christian Democrats last July is not being honoured.

In any event, they say, the economic and social difficulties facing the country, not to mention the recent outbreak of political violence, dictate the creation of an emergency government.

Such a formula is also being backed by both the Socialists and the small, but influential, Republican Party. Yet Prime Minister Andreotti is known to have rejected the prevailing mood within Christian Democrat ranks when he said recently that there could be no question of including the Communists

ROME, Jan. 9.

Emergency meeting on violence

BY PAUL BETTS

ROME'S City Council was holding emergency talks tonight following an escalation of politically-motivated violence here in the last 48 hours. A Government crisis now appears to be imminent.

The Mayor of Rome elected on the Communist list, Sig. Giulio Carlo Argan, described the city as "Italy's capital of violence." He claimed that there was a concerted attempt by a small fringe of political extremists to disrupt the democratic structures of the country.

Terrorist attacks continued throughout the country to-day

after a weekend of violence which particularly hit Rome where two young neo-Fascists were shot dead by Left-wing extremists late on Saturday night.

In the subsequent and, by Italian standards, inevitable, another neo-Fascist youth, died after having been shot in the forehead by a police officer. A Left-wing youth was also in a desperate condition after being stabbed by a Right-wing gang.

In Naples, terrorists rioted in a theatre last night during a performance causing serious damage and panic. In Rome, cars and various buildings were wrecked.

ROME, Jan. 9.

Brezhnev reported unwell again

BY DAVID SATTER

MR. LEONID BREZHNEV, the Soviet leader, has suffered a relapse of the influenza which kept him out of public view for four weeks. The recurrence has forced him to cancel a scheduled meeting with Mr. Sunao Sonoda, the Japanese Foreign Minister.

Japanese sources said that Mr. Andrei Gromyko, the Soviet Foreign Minister, told Mr. Sonoda that Mr. Brezhnev suffered the relapse after presiding at a Kremlin medal presentation on Thursday. The ceremony was Mr. Brezhnev's first public appearance in four weeks. He had not been seen in public since appearing in December 8 at the funeral of Marshal Alexander

Vasilevsky. Semi-official Soviet sources said at the time that he relapsed of the influenza which kept him out of public view for four weeks. The recurrence has forced him to cancel a scheduled meeting with Mr. Sunao Sonoda, the Japanese Foreign Minister.

The atmosphere of the Soviet-Japanese talks has been good, so it is not thought that Mr. Brezhnev's meeting with Mr. Sonoda had been cancelled for political reasons, although foreign residents of Moscow have seen what they assumed to be Mr. Brezhnev's limousine and escort entering the Kremlin on Friday and today, indicating that the Soviet leader may be at work.

During his talks with Mr. Gromyko, Mr. Sonoda raised the question of the status of a string

MOSCOW, Jan. 9.

New Cyprus peace moves

BY METIN MUNIR

THE INTERCOMMUNAL peace talks in Cyprus, suspended since last April, could resume next month or at the beginning of March, Dr. Kurt Waldheim, UN Secretary General, said here today at the end of his talks with Turkish leaders.

On a three-day official visit to Turkey, Dr. Waldheim to-day conferred for nearly three hours with Mr. Bulent Ecevit, the new Turkish Prime Minister, and Professor Gunduz Okun, his Foreign Minister.

"I got the impression that there is a difference and a new interest in coming out with a more concrete approach to the Cyprus problem," he said at a news conference afterwards.

"The difficulty we had in the past was that we couldn't get down to substantive negotiations. We were not able to settle, or

negotiate in a meaningful way, the substance of the problem—the territorial and the constitutional aspects. It is my impression that Prime Minister Ecevit is ready to do this. That is what encourages me."

Dr. Waldheim will visit Nicosia and Athens later this month. He leaves Turkey for Iran to-morrow.

It is believed that Mr. Ecevit is prepared to make territorial concessions to the Greeks if they accept the transformation of Cyprus into a bi-regional, sovereign, independent and non-aligned federal State.

Reuters adds from Nicosia: Mr. Ecevit had a half-hour telephone conversation to-day with Turkish Cypriot leader Rauf Denktaş about the Cyprus situation, the official Turkish-Cypriot Bayrak Radio said to-night.

ANKARA, Jan. 9.

More resignation calls in Poullain affair

BY OUR OWN CORRESPONDENT

POLITICAL TURBULENCE in the local State Government has erupted in the wake of the resignation before Christmas of Herr Ludwig Poullain, Chief Executive of the Westdeutsche Landesbank Gironzentrale (West LB).

Immediately at issue is the position of the Finance Minister of the State of North Rhine-Westphalia, Professor Friedrich Halstenberg, who is also a member of the bank's supervisory Board.

Professor Halstenberg is coming under increasing pressure to step down, not only from the opposition Christian Democrats in the State Parliament but also from members of the Government parties, the Social Democrats (SPD) and

Free Democrats (FDP).

The local State Government has also made up the Federal Government in Bonn. The last thing the federal leadership wants is a provincial row at the start of a year which will see four important State elections in West Germany.

In his resignation statement on December 23, Herr Poullain said he had been accused of taking an advisory post to the detriment of the bank. He was sure his activities did not run counter to his responsibilities to West LB, but he was stepping down while the matter was cleared up so that the bank's image would not suffer.

It has since emerged that Herr Poullain acted as a paid consultant to a property com-

BONN, Jan. 9.

Bonn protest at East German ban on Spiegel journalist

BY JONATHAN CARR

WEST GERMANY to-day complained to the East Germans over their refusal to allow the new reporter of the Hamburg magazine, Der Spiegel, into East Berlin to take up his duties.

At the same time there are clear indications that the Bonn Government is anxious to avoid any further escalation of criticism which could set back the tough but mutually valuable dialogue between the two German states.

In particular, government officials remain unwilling to comment directly on the authenticity of the manifesto by an alleged group of East German dissidents, a further extract of

which was published by Der Spiegel to-day.

The manifesto criticises the East German leadership for, among other things, nepotism and corruption. East Berlin has reacted to the publication by banning for the moment the new Spiegel correspondent Herr Karl Heinz Vater, and by criticising the work of the correspondent of the second West German TV channel in East Germany, Herr Dirk Sager.

West Germany's Permanent Representative in East Berlin, Herr Gaus told the East German to-day that their conduct did not conform with the exchange of letters of 1972 between the two governments,



President Valéry Giscard d'Estaing: a difficult situation.



M. Francois Mitterrand: no second fiddle.



M. Georges Marchais: an end to speculation.



M. Jacques Chirac: proud and ambitious.

French Right feels confident of poll win

BY DAVID CURRY

THE PARTIES of the French Right are becoming increasingly confident that they will pull off the general election victory in March which a year ago seemed hopeless. Over the weekend French Press and television was dominated by the news of the Prime Minister Raymond Barre's speech at Blois in central France, outlining the Government's election manifesto and by repeated reports of the bitter warfare between the Communists and Socialists which seems finally to have buried any hope of their pre-electoral co-operation.

Just a year ago, in the run-up to the municipal elections, the opposite. The Gaullists were in almost open revolt against the Government over the battle for

the majority of Paris and the European policy while the Left-wing coalition seemed to be cruising towards an irresistible victory.

M. Raymond Barre's weekend speech outlining "the Programme of Blois" has been assessed in the light of the Prime Minister's ambiguous position. On the one hand, M. Barre is the leader of the Government but at the same time he has been denied by the Gaullists a formal role as election leader of the Government-supporting parties.

It is generally felt that M. Barre has stamped his own ideas strongly enough on the programme—notably by his insistence on the pursuit of economic recovery receiving priority over reform—and that he has expressed the Government's ideas powerfully enough to make him

Marchais hoists his colours

BY ROBERT MAUTHNER IN PARIS

THE FRENCH POLITICAL picture has been unexpectedly clarified by an untypical frank policy statement by the Communist leader, M. Georges Marchais with only some 60 days to go until the general election.

Ripping off the veils which Party's motives ever since the breakdown of the negotiations with its left-wing partners last September, M. Marchais effectively put an end to all the speculation about his Party's reasons for settling the Alliance of the Left. He made it clear at a national conference of the Party last week-end that the Communists' main concern was not so much the content of the Common Programme of the Left, on which the parties of the Left remain deeply divided, as the power relationship between the Socialist and Communist parties.

which will, in most cases, withdraw in each other's favour in the run-off.

It is true that M. Marchais has not slammed the door completely on an eleventh-hour Left-wing alliance. But the link he has left is so small that the pact is most unlikely to materialise. The Communists have set themselves a target of 25 per cent of the national vote.

Only if they achieve a result within about two percentage points of this figure would they have second thoughts about patching up their quarrel with the Socialists.

The likelihood of such a score is eloquently underlined by the percentages obtained by the Communist Party in parliamentary elections over the last 20 years—a little more than 13 per cent in 1958, 21.5 per cent in 1962, 22.46 per cent in 1967, 20 per cent in 1968 and 21.5 per cent in the last general election in 1973. Moreover, the Socialist strength in the last five years or so and is much more likely to win the support of a sizeable section of the Communist electorate this time than it did in the recent past.

second fiddle to the Gaullists in any Government.

Indeed, it is doubtful whether in spite of all the disappointment which he has suffered at the hands of the Communists, M. Mitterrand would agree to serve at all in a Government including the present coalition partners, whose the Socialists were in a really dominant position. If he allowed himself to be tempted by such a solution, the Socialists would lose much of their credibility as a genuine left-wing force and the Communists would become the main repository of frustrated left-wing aspirations in the country. That is clearly what M. Marchais hopes will happen.

While M. Marchais has not slammed the door completely on an eleventh-hour left-wing alliance, the link he has left is so small that the pact is most unlikely to materialise.

Assuming that he is not presented with a complete parliamentary statement, it is therefore quite possible that M. Giscard d'Estaing will again find himself in a position of having to make do with a Government made up of the present coalition parties, including, notably, the Gaullists. The President would certainly be in a fine position to make the political limits he has set himself, but may well be prevented from doing so by the election results.

The Communists would be prepared to join a government of the Left only if their strength in the country was great enough for them to stand up to the Socialists as equal partners and to exercise their influence on policy-making. Otherwise, they would remain in opposition and thus avoid the ideological contamination of policy compromises with the Socialists and left-wing Radicals.

Since the Socialists and Gaullists are likely to emerge as the two strongest parliamentary groups from the election, President Giscard d'Estaing will be faced with a difficult situation. It is by no means clear that he will be able to fulfil his personal dream of forming a left-of-centre coalition, including the Socialists.

The strength of the Communist Party will be tested in the first round of the election, when only those candidates polling more than 50 per cent of the total vote in any constituency are elected outright. If, as the latest public opinion polls indicate, the Communists obtain no more than 21 per cent of the national vote in the first ballot, they will not be prepared to make an electoral pact with the Socialists in the run-off on March 19, in which only the leading candidates in the first round remain to fight it out in the constituency.

The scenario of a Government victory, which must now be considered the most plausible of all the various alternatives, is based on the assumption that there will be no last minute rift in the coalition camp. After all the bitter quarrels between the Gaullists and their partners, to say nothing of the personal rivalry between President Giscard d'Estaing and M. Chirac, the climate on the right of the political spectrum has relatively serene recently.

This means in practice that the Communists would not stand down automatically in favour of a Socialist or left-wing Radical should the latter emerge as the leading flag-bearer of the Left in the first round. In other words, the Left would go on greatly strengthening the prospects of the Government coalition parties, favour the Left, which would

But the seeds of discord are still very much there and could easily cause a major row at short notice. The Gaullists, while they subscribed to an amiable coalition manifesto which is nothing more than a list of general principles, are less than forthcoming in the initiative taken by M. Raymond Barre, the Prime Minister, when he presented a Government election programme on behalf of all the coalition partners. They are due to present their own party programme, however, and could still find M. Chirac and M. Barre as the election campaign progresses.

Even if the two main parties of the Left remain divided, however, the election could still be a most recent public opinion poll indicates that, in the first round at least, 50-51 per cent of the electorate intends to vote for the parties of the Left and no more than 45 to 47 per cent for the coalition parties.

An appointment of M. Francois Mitterrand, the Socialist leader, as Prime Minister, if the Gaullists win roughly the same number of National Assembly seats as the Socialists and thus, remain the strongest representatives of the present coalition, would no doubt, be unacceptable to the proud and ambitious Gaullist leader, M. Jacques Chirac. On the other hand, it appears out of the question that the Socialists would agree to play

But the first round is habitually an occasion on which the voters express their fundamental preferences without too much thought for the final result. When faced with a decisive choice in the run-off, the fear of radical change normally leads a substantial number of voters to have second thoughts.

Moreover, the present constituency boundaries do not favour the Left, which would

Norway warning on risk of North Sea blow-out

BY FAY GJETER

OSLO, Jan. 9.

A FUTURE North Sea blow-out from a platform on which drilling and production were being carried out simultaneously could lead to a spill nearly 10 times as large as that experienced during last year's Ekofisk Bravo blow-out, according to Mr. Tore-Jarl Christensen, Norway's Deputy Minister of the Environment.

Gierek plans gradual rise in food prices

By Christopher Sobinski

WARSAW, Jan. 9.

RISES in the prices of basic foodstuffs in Poland, which has been the subject of workers' demonstrations twice in the last eight years—will not be introduced in Poland for some time at least.

Belgium's petrol workers to strike for less hours

BY DAVID BUCHAN

BRUSSELS, Jan. 9.

THE 5,000 WORKERS in Belgium's petroleum industry have given notice that they will go on strike from January 17, unless their demand for shorter working week is met by their employers.

The step came after Mr. Guy Spitaels, the Belgian Labour Minister, made it clear on Friday that the Government would not introduce at this stage a new law on the reduction of working hours in the petroleum sector to 36 hours a week in 1978, and to 36 among Belgium's 300,000 employed.

Shortly after the strike announcement from the Petroleum Workers' Union, the independent petrol retailers and garage pump assistants decided to jump on the bandwagon and

They cited their discontent with competition from the petrol companies in setting a price cutting and various gimmicks.

If the Government does step in to settle the dispute, it will be the first major industrial dispute since a series of national strikes launched in spring against the economic policies of the first coalition Government of Prime Minister Tindemans.

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AMERICAN NEWS

Threat of curbs on energy use if Bill remains stalled

BY JUREK MARTIN, U.S. EDITOR

DR. JAMES Schlesinger, the U.S. Energy Secretary, has warned that President Carter is ready to impose curbs on the consumption of energy, if Congress should fail to pass the deadlocked Energy Bill.

These comments, made on the eve of a week-long trip to Morocco and Saudi Arabia, which Dr. Schlesinger was to begin today, reflect a heightened awareness in Washington of the need for action on the energy front in order to stop further erosion of the value of the dollar.

Mr. Jody Powell, the Presidential Press Secretary, said last night after a meeting between Mr. Carter and Dr. Schlesinger, that every foreign leader whom the President had met in his recent foreign tour had raised the problem of U.S. energy consumption, "and it was always in connection with their concern about the decline of the U.S. dollar," he added.

"They understand, even if people in this country appear not to understand," Mr. Powell said, "that the decline in the value of the dollar is directly related to our inability, so far, to get control of our energy appetites."

For his part, Dr. Schlesinger declined to speculate on what sort of controls the President might have recourse to. The Administration's preference remains that Congress pass the Energy Bill, and there were clear signs over the week-end that greater efforts to break the dead-lock are being made.

Dr. Schlesinger flew out to California to confer with Senator Henry Jackson of Washington, and reported that the Senator had promised "a wholly new effort" to end one of the two critical impasses—the pricing of natural gas.

Mr. Jackson, leader of the Senators in the Joint Senate-Energy conference committee, has so far maintained that the administration's proposals are too generous to the oil and gas industry. He is also known to be unhappy with various other aspects of the draft legislation.

Dr. Schlesinger, nonetheless, felt obliged to warn that it would be unwise to expect a dramatic breakthrough too early, saying that it was very difficult to see Congress producing final legislation before March. The conference committee is not due to reconvene until January 29, although some of its important members will be back in Washington before then and may informally test the waters for the possibility of a new compromise.

WASHINGTON, Jan. 9.

The Administration is also receiving some assistance in its drive for energy action by the newly-designated chairman of the Federal Reserve Board, Mr. G. William Miller.

In an interview with a U.S. magazine out today, Mr. Miller spoke of the need for an energy policy and the danger of a failure to produce one. "If the dollar continues to decline," he said, "the oil-producing countries, which now price their oil in dollars, will want to switch to some other currency, and that would hurt the U.S. tremendously."

Describing the dollar as "undervalued," Mr. Miller asserted that U.S. policy should be directed toward getting the exchange rate for the dollar back up to more realistic levels. "Endorsing the steps taken last week to support the dollar," he said, "the U.S. government is also taking steps to implement an energy policy, by insisting on 'a fair trade,' and by generally creating a climate of confidence, so that we can continue to have an inflow of foreign capital."

Petrol prices start to decline

BY JOHN WYLES

NEW YORK, Jan. 9.

PETROL PRICES have started to decline in the U.S. over the past few weeks, partially as a result of slackening demand and high refinery stocks.

Gulf Oil announced that the end of last week that it was cutting its prices on all grades of petrol by a penny a gallon throughout most of the country. This followed similar cuts during December by Shell, Texaco, Exxon and Standard Oil of California.

Demand for petrol traditionally levels off at this time of the year but this softening in the market is coming at a time of historically low growth in petrol consumption.

On most estimates, demand in 1977 has risen by no more than 2.3 per cent, compared with 4.5 per cent throughout most of this decade. This smaller-than-expected increase in the market first put pressure on prices in the summer when refiners launched a round of price cutting in an attempt to move steadily increasing stocks. For the week ending December 23, petrol stood at 34.8¢ per barrel, compared with 23¢.7¢ for the equivalent period in 1976.

The intricacies of the Federal Government's price control system is also believed to be a

factor depressing the prices being charged by some refiners. The producers have to justify their prices each month and are either allowed to pass on higher crude oil costs immediately or to "bank" them for use at some future date.

Some analysts are suggesting that these reserved price increases have been exhausted by a number of refiners and that they are having corresponding difficulty justifying price levels.

At the moment, however, neither is speculation, because neither the Department of Energy nor the oil companies will comment.

Nuclear power station approved

WASHINGTON, Jan. 9.

THE NUCLEAR Regulatory Commission (NRC) has said that Public Service Company of New Hampshire may continue construction of the controversial \$20m. nuclear power station at Seabrook, New Hampshire.

The Commission unanimously affirmed a decision last July by Public Service that the Seabrook plant was not a "major hazard" and that it permitted work on the two power plants to resume after a suspension of about six months.

Mr. Joseph Hedrie, the chairman of the four-member Com-

mission, did not participate in the ruling because of his earlier involvement with the Seabrook application as an Atomic Energy Commission official.

The Commission said it agreed with the Appeals Board's finding that there was a "reasonable assurance" that Public Service had the financial qualifications to complete the project.

On the environmental issue that led to massive arrests of demonstrators at the Seabrook site last spring, the Commission simply adopted the conclusions

of the Environmental Protection Agency, which dropped its objection to the facility in June.

The Commission decided that it was free to "accept and use without independent inquiry" the EPA's determination that the heated water the power station would dump into the Atlantic ocean was not a hazard.

As a result of the Seabrook controversy, the Commission said it had decided to begin two studies that could affect the licensing of nuclear plants in general.

AP-DJ

Growth of 4.5% in U.S. GNP forecast

By Our Own Correspondent

WASHINGTON, Jan. 9.

THE U.S. gross national product will grow by between 4 and 5 per cent in real terms this year, according to the Commerce Department's annual industrial outlook.

This overall forecast is in line with the one issued by the Administration. The Department suggests that the rate of growth will taper off in the course of the year as social security and other higher taxes take effect, but it acknowledges that its calculations do not include the impact of the tax cuts which President Carter is due to unveil shortly, which would, of course, militate in the other direction.

The survey also predicts a similar 5 per cent rate of inflation in 1978, compared with last year's slight reduction in unemployment to about 6.5 per cent from the current 7 per cent. (but this also assumes no change in federal fiscal policy).

Fixed investment and, on the darker side, a trade deficit of \$27bn. deficit of last year. However, two other independent surveys suggest that public attitudes towards the performance of the economy are less sanguine.

A Conference Board canvass of leading corporate executives found a marked drop in business confidence, based on a scale of 0-100, fell to 52 in the final quarter of last year, compared with 58 and 71 in the two preceding quarters.

The widely-respected University of Michigan Survey Research Centre also discerned a decline in consumer confidence in its last canvass, taken in November and December. The drop in confidence was widespread across economic groups, but with the less-wealthy feeling less confident than the better-off.

Reuter adds: The department forecasts that some industries will have substantial gains during the year—like aerospace, growing by 21 per cent, and value of shipments—while a more modest performance is expected for the car industry, where shipments are expected to dip by about 1 per cent. The other top-ten industries are expected to show gains of 7-12 per cent this year, it says.

The outlook said that total motor vehicle sales, which set a record of nearly 15m. units last year, will decrease slightly to about 14.5m.

Total car sales, which reached about 13.5m. last year, are expected to fall to about 11m. this year. Sales of U.S.-produced cars are forecast to slip to about 9m. from 9.2m. in 1977, while sales of imported cars are likely to dip to 2m. units from 2.1m.

The Department said that construction spending was up about 10 per cent to \$184.5bn. this year, after a 14 per cent gain in 1977 to \$165bn.

For the pulp and paper industry, the projected gains for the economy as a whole point to higher sales and earnings. Product shipments are expected to grow by about 11 per cent to \$39bn., although global inventories of pulp are still excessive and will influence world prices.

Aluminum production is expected to continue its steady gains this year, 10 per cent, by about 6 per cent, in the preceding 12 months, and steel production is expected to rise by just over 9 per cent after a 1 per cent drop in 1977.

Imports of steel, which accounted for about 17 per cent of domestic apparent consumption of steel, and totalled \$4.5bn. in 1977 are expected to fall to \$4.2bn. However, the outlook does not take into account any effects of the reference price system recently announced by the administration.

Sales of chemicals and allied products, the Department said, are likely to rise to about \$22bn. this year, 10 per cent, gain on that of 1977, with plastics materials and resins the fastest-growing sector, and nitrogen fertilizers having the slowest growth.

However, the outlook said that there are three important factors clouding the outlook for this year—the competitive impact internationally by any energy bill passed by Congress, the sluggishness of the multilateral trade negotiations which are due to begin later this month.

"Until a clearer picture emerges, a wait-and-see attitude seems to have developed, affecting decisions on investment and production in 1977 and perhaps into 1978," the forecast said.

While in Guyana, she will hold talks with cabinet ministers and the Prime Minister, Mr. Forbes Burnham, on bilateral relations and the follow-up to a World Bank-sponsored conference on aid to the Caribbean which was held in Washington last month.

She will also sign an aid agreement under which Britain will provide Guyana with a £10m. soft loan which will be used mainly to help finance expansion of the sugar and rice sectors.

Mrs. Hart is to leave here on Wednesday.

U.K. Minister in aid talks in Guyana

By Our Own Correspondent

GEORGETOWN, Jan. 9.

MRS. JUDITH HART, the British Minister for Overseas Development, arrived in Guyana last night on the third leg of a nation tour of Central America and the Caribbean.

She has already been to Costa Rica and Venezuela. From Georgetown, she will go on to Barbados and Jamaica.

While in Guyana, she will hold talks with cabinet ministers and the Prime Minister, Mr. Forbes Burnham, on bilateral relations and the follow-up to a World Bank-sponsored conference on aid to the Caribbean which was held in Washington last month.

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OVERSEAS NEWS

Coalition partners attack Begin over settlements

BY DAVID LENNON

TEL AVIV, Jan. 9.

THE DEMOCRATIC Movement for Change, one of the Israeli coalition partners, today appealed to the Knesset foreign affairs and defence committee against the decision to set up four settlements in the occupied West Bank.

The decision made by the government settlements committee crossed party lines. The opposition Labour Party asked for the meeting to be adjourned until tomorrow to enable the party to decide its position.

Objection to the plan came from both ends of the political spectrum. While some members of the Knesset committee

thought it ill-advised to build new settlements while peace negotiations were in progress, others argued that more should be created immediately. However, when the committee resumed the debate tomorrow, it is expected to approve the Government's settlement policy.

A further illustration of the divisions within the country over Israeli peace plans came early this morning when the Herut Party, the political base of Mr. Menachem Begin, the Prime Minister and one of the major components of the ruling Likud bloc, split over the selection of its nominee for an additional Cabinet seat.

Even with the backing of the Prime Minister, Mr. Haim Landau received only 306 votes; his opponent, who opposes Mr. Begin's peace plan, gained 207.

Meanwhile, Mr. Moshe Dayan, the Foreign Minister, said today that no agenda had yet been worked out for the Israel-Egypt political committee which is due to meet in Jerusalem on Monday. He said there were differences of opinion between the two countries over the order in which subjects should be tackled.

Negotiations are continuing, but it is possible that deciding the agenda may turn out to be the first item for discussion when the two sides meet.

Sadat in private talks with Shah

BY ROGER MATTHEWS

CAIRO, Jan. 9.

THE SHAH of Iran arrived in Aswan this afternoon for talks with President Anwar Sadat, another indication of the more cordial relations between the Middle East peace developments.

The two men met in private for several hours and are understood to have covered the broad theme of Mr. Sadat's peace efforts, which the Shah described as "correct."

The Iranian leader has recently held talks with King Hussein of Jordan and President Jimmy Carter and is believed to be maintaining important contacts with Israel. After his talks in Egypt, the Shah flew to Saudi Arabia to meet King Khalid.

This latest flurry of Middle East diplomatic activity—which will be supplemented later this week by the anticipated arrival of King Hussein and then Mr. James Callaghan, the U.K. Prime Minister—comes as the main thrust of peace negotiations is about to get under way.

The Egyptian-Israeli military committee is scheduled to meet on Wednesday, with the Cairo Government insisting that the issue of Israeli settlements in Sinai and the value of the political committee holds its first session in Jerusalem next Monday.

Egyptian officials believe these committees will provide the best indication of whether, as they see it, Israel is willing to answer concrete terms the generous concession provided by Mr. Sadat in making his journey to Jerusalem.

Meanwhile, Mr. Sadat is trying to broaden the base of his international support, a factor which will become increasingly important as the negotiations with Israel are eventually threatened by breakdown. The wealth and growing military power of Iran is clearly an important element in Middle East politics and the views of the Shah can be as important as those of the Arab masses.

Even though Mr. Sadat has reiterated a position identical to Syria—that there can be no compromise on the total Israeli withdrawal from Arab land—Mr. Assad said that the Egyptian leader was on his way to negotiating a separate peace.

"What he says is one thing and what he does is quite another," Sadat is now on the

portant, to the United States as those of Saudi Arabia. There is suspicion in official Egyptian circles that Mr. Begin is seeking to concentrate attention on the settlements in Sinai in order to draw the spotlight away from the similar situation that exists on the West Bank and Gaza Strip. His remark that Israel might withdraw the peace of other Israeli leaders, notably those of Mr. Ezer Weizman, the President Sadat in Ismailia on Christmas Day if Egypt still tried to insist on the removal of all

Sinai settlements, was interpreted here as being primarily for domestic consumption and the expected "diplomatic bluster" that precedes real negotiations.

However, in case Mr. Begin's words do accurately reflect his minimum position on the settlement question, the Egyptians will continue to probe attitudes of other Israeli leaders, notably those of Mr. Ezer Weizman, the Defence Minister, who will head the delegation to the military

way to a separate deal (with Israel). The road he has chosen can only lead to such a deal. Asked why he did not close ranks with Egypt when Mr. Sadat had rejected the idea of an Israeli-Egyptian agreement as a substitute for an overall settlement, Mr. Assad described the Egyptian leader's position as "pure theatrics."

"What's now going on is something that will lead to a Sinai agreement coupled with a cosmetic formula designed to liquidate the Palestinian question," said Mr. Assad.

Regarding Israel and its security concerns, Syria's President said: "Judging from tangible evidence, such as the expansion of Israeli settlements in the occupied territories, we conclude Israel has expansionist concerns more than security concerns."

Asked what role he thought Jordan should play on the road to an overall settlement, Mr. Assad said: "Peace cannot be achieved without Arab unanimity. But I don't see a role for Jordan to play under the shadow of separate deals."

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Israelis plan for budget deficit

By L. Daniel

JERUSALEM, Jan. 9.

AN inflated budget of 121.5bn. (18,050m.) for fiscal 1978-79, was tabled in the Knesset here this afternoon.

This budget is 75 per cent larger than the one originally drafted for the current year, and 50 per cent above the amended one, following the approval by the Government yesterday of a supplementary budget of the equivalent of 123.5bn.

Members from both sides of the Knesset are trying to get the budget reduced, especially as the proposed expenditure at the head of the list, loan repayment and interest will eat up fully one-third of total expenditure.

For the first time, debt service and repayment is the single largest item, replacing military expenditure at the head of the list. Loan repayment and interest will eat up fully one-third of total expenditure.

However, 1978 is a peak year for debt service and the total portion of this item in the total will decline from 1978 onwards. Defence expenditure during the coming year will come to 121.5bn., which means no change in real terms from this year's allocation.

The inflation, which reached 45 per cent in 1977, will again be between 30 and 40 per cent this year, especially as the Government intends to reduce food subsidies further on the 1st of February. This will not constitute more than 20 per cent of the total price of products by the end of fiscal 1978-79.

While this measure will reduce the burden of subsidy payments on the Government, it will drive up the consumer price index which, in turn, means that the State will have to pay its employees higher semi-annual cost-of-living increments.

The same logic applies to the Government's intentions to increase still further the cost of fuel, postal charges and other services which will both increase its own direct expenditure and the index (and in the process after the amount of the internal debt since Government bonds are indexed between 80 and 100 per cent to the cost-of-living index). These all-round increases will also have an adverse effect on the profitability of exports, economists warn.

Dominic Coyle adds from Rome: Gen. Moshe Dayan, the Israeli Foreign Minister, began his visit to Rome this evening to Rome aimed at securing Italian support for the Israeli Middle East peace proposals and, if possible, a modification of the Vatican's insistence on the internationalisation of Jerusalem, as part of any eventual settlement.

By 11 p.m. will meet President Giovanni Leone, Prime Minister Giulio Andreotti and Sig. Arnaldo Forlani, the Foreign Minister, during his two-day visit.

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Argentina 'to reject arbitration'

BY HUGH O'SHAUGHNESSY

ARGENTINA will refuse to accept the British arbitration decision, which last year awarded Argentine military junta to Chile three islands in the Beagle Channel near Cape Horn which are claimed by Argentina.

The award of the islands of Nueva, Picton and Lennox to Chile was agreed unanimously by five judges of the International Court of Justice, only one of whom was British. Their decision was formally ratified and announced on May 2 by the Queen, the formal arbitrator, who had referred the matter to the court after the two countries had invoked a 19th-century treaty which named the British Crown as arbitrator.

Argentina has until February 2 to complain about the way in which the decision was reached. But it cannot reject it outright without breaking its treaty commitment to accept the arbitration as final.

The latest activity in Argentina was provoked by the irritation of the Argentine junta at remarks last week by General Augusto Pinochet, the Chilean President.

Following the announcement of a large majority in favour of Gen. Pinochet in a referendum on Wednesday, he announced that Chilean foreign policy would become more aggressive, and that the dispute about the islands had been whipped up by "certain Marxist elements in Argentina."

This has been taken as a clear insult by senior Argentine officers, who are taking a firm anti-Chilean position on the islands and who consider themselves to be far from Marxist.

Mr. Hernan Rios, the legal adviser of the Chilean foreign ministry, has restated the Chilean view that the award is not subject to appeal.

At the week-end, Adm. Emilio Massera, the Argentine navy commander and the member of the junta who has been most overtly hostile to the arbitration, boarded the aircraft-carrier 25 de Mayo for a visit to naval bases on the Atlantic while Brig. Orlando Augusti, the air force commander, has been inspecting airfields on the Chilean border.

Argentine officers and diplomats are believed to be split on the advisability of throwing out completely an award which their country is legally committed to accept. Those who are pushing for outright rejection point to the fact that the Chilean authorities, whose conduct was condemned last month in the UN, are diplomatically isolated and, in any crisis, could count on little international support for their position, however worthy of support it might be.

In London, Whitehall sources would not be drawn on what the British attitude would be if the award were rejected by Argentina. Limiting themselves to remarking that the case would merit profound study by legal experts.

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WORLD TRADE NEWS

U.S. and Japanese in bid to resolve trade dispute

BY CHARLES SMITH

TOKYO, Jan. 9.

U.S. AND JAPANESE officials began three days of bilateral trade talks here today as a prelude to the two days of Ministerial talks which will be held after Mr. Robert Strauss, U.S. Trade Representative, arrives here on Wednesday. The purpose of the talks is to draw up the terms under which the two countries will announce a settlement of their four-month-old trade dispute.

The talks are being led on the American side by Mr. Alan Wolff, Mr. Strauss's deputy, and on the Japanese side by the directors-general of the various bureaus in the Ministries of Foreign Affairs, Trade and Industry, Finance and Agriculture which are most closely concerned with U.S. trade problems. Mr. Wolff met the director-general of the Foreign Ministry's economic affairs bureau, Mr. Morioka Motono, this afternoon. To-morrow and on Wednesday he will have meetings with Mr. Motono's colleagues in other Ministries.

Japan is apparently willing to

increase its imports of beef, orange juice and fresh oranges from the U.S. by modest amounts as part of its contribution to the trade settlement. Further tariff cuts in addition to the measures announced in the original package of last December may also form part of this week's settlement.

Although the detailed contents of this week's Japanese "mini package" and of the joint communiqué to be issued on Friday have yet to be settled, there appears to be no doubt that the two sides will reach agreement. This seems to have been decided at a high level before Mr. Strauss committed himself to making the journey to Tokyo.

The fact that a peace settlement was decided on in advance of the details, underlines the highly political nature of the current U.S.-Japan disputes. The U.S. seems to have decided to end its quarrel with Japan ahead of two events which are due to occur shortly. One is the opening of the final phase of GATT negotiations, to start in Geneva on January 15. The other is the

opening of the 1978 legislative session of the U.S. Congress later this month.

Reuter adds: Danish Finance Minister Mr. Knud Heinesen to-day urged Japanese Prime Minister Mr. Takeo Fukuda to help improve relations between Tokyo and the European Economic Community. Tokyo government sources said: Mr. Heinesen, on a four-day visit, stressed that relations between Japan and the EEC were as important as links between Tokyo and Washington. Before the meeting, which also covered international economic problems, Mr. Heinesen told Finance Minister Mr. Tatsuji Murayama that he welcomed the 7 per cent economic growth target set by the Tokyo government for the year starting next April. Denmark is the EEC chairman for the first six months of this year.

Mr. Heinesen, who arrived here yesterday, will also meet External Economic Affairs Minister Mr. Nobuhiko Uehara for talks expected to centre on Japan-U.S. trade links and their possible effects on the EEC.

Treasury steel imports ruling

BY JUREK MARTIN

WASHINGTON, Jan. 9.

THE UNITED STATES Treasury ruled today that five Japanese steel companies had been dumping carbon steel plate in the American market.

However, it sharply lowered its earlier estimates of the dumping below fair value at which the Japanese products were being sold. Last October, it had tentatively found that this gap was 32 per cent. But today's final determination places the range between 5.4 and 18.5 per cent, depending on the individual company.

This case, brought against the Japanese by Gilmore Steel, was considered to be something of a landmark case when it was brought, but now has to be seen in a different light, following the introduction of a new system of reference, or trigger, prices intended to discourage dumping of foreign steel.

The whole point of the trigger price mechanism is to render less necessary individual anti-dumping actions of the classical kind. But the Gilmore suit—against Nippon Steel, Nippon Kokan, Sumitomo, Kawasaki and

Kobe—was lodged before the new regime was unveiled and was too far down the legal processes to be stopped.

As a result, the Treasury's ruling will now be passed on to the International Trade Commission, which will have to determine the extent of the injury caused to the U.S. steel industry by unfair foreign competition and which may then order the Treasury to exact duties on the Japanese companies.

The irony of the situation—whereby the old system is being implemented at a time when

more steel is being placed by its replacement—is not lost on the Treasury.

In its official announcement, the Treasury disclosed that the principal reason for the revision downwards of the estimates of the dumping margins was the data provided by the Japanese steel industry last month, in the course of its negotiations with the U.S. leading to the publication of the import trigger prices, which are based on the Japanese cost of production.

The case in question, brought by Gilmore last spring, covered the six months from October 1, 1976, to March 31 last year. During that period, the Treasury found that Nippon Steel's sales of carbon plate were at a weighted average of 2.9 per cent below fair value. The other margins below fair value were Nippon Kokan 7.3 per cent, Sumitomo 18.5 per cent, Kawasaki 5.4 per cent, and Kobe 13.9 per cent.

In calendar 1976, imports of the type of carbon steel plate covered by this case amounted to \$174m.

Callaghan compiles Indian shopping list

By Richard Evans, Lobby Editor

NEW DELHI, Jan. 9.

THE PRIME Minister, Mr. James Callaghan, will return to Britain at the end of the week with a lengthy "shopping list" of manufactured goods that the Indians are interested in buying, according to efforts during his tour to cut the U.K.'s trade deficit.

At present Britain has a substantial trade gap of around £100m, a year with India, and one of the most important tasks of Mr. Callaghan's tour has been to persuade the Indian government and businessmen to place substantial orders for British goods.

He was given the list following talks here with Mr. Morarji Desai, the Indian Premier, and other Ministers, and he will draw attention of the departments of Trade and Industry on his return to London.

The ministries will then contact manufacturers' associations and leading industrial companies who could provide the goods and advise them of the market potential.

A major hope of the British party is that the Indians will choose the Jaguar sports car in preference to the French Mirage in a contract worth up to £260m.

Mr. Desai said that tenders would be requested from both countries and a licensing agreement would be a necessary part of the contract, so that India could manufacture its own aircraft on a progressive scale.

The full list covers: Power generation equipment, cement plant components, buses, caterpillar machinery, fire engine chassis, fishing trawlers, machine tools, specialised testing equipment, alternators, refrigerated vans, safety equipment for offshore drilling, transformers, and cold storage plant.

Concorde concession, page 6

Export credit talks resume

By David Curry

PARIS, Jan. 9.

REPRESENTATIVES from 20 countries met in Paris today to resume the attempt to extend the "gentlemen's agreement" on international consensus on the framework for the official support of export credits.

The main discussion at this week's meeting was whether to let the existing terms continue or whether to embark upon a stiffening of the conditions as desired, notably, by the Americans.

The main uncertainty is how determined the U.S. is to amend the conditions, particularly by allowing for longer maturities at more commercial rates of interest.

Babcock £15m. Mexico deal

BABCOCK AND WILCOX, through its subsidiary Babcock and Wilcox de Mexico, have been awarded contracts by Petroleos Mexicanos for 11 boilers each fired by oil and gas, worth about £15m.

This order will provide a steady factory load in the Mexican company's manufacturing plants until the last quarter of 1979.

£12m. dam deal
The Glasgow-based drilling and explosives company, Rock Fall Co., and two other Bos Kalis Westminster Group companies have secured a £12m. share of a contract to build a dam near Nafrobi in East Africa. Costing an total about £37m, the dam will take three and a half years to complete.

Credit for Hungary
The Export Credits Guarantee Department has guaranteed a £400,000 loan to the Hungarian Government on behalf of itself and a syndicate of London and Scottish clearing banks has made available to National Bank of Hungary.

Leyland Benelux to boost sales

BY DAVID BUCHAN

BRUSSELS, Jan. 9.

LEYLAND hopes to raise its share of the Dutch and Belgian car markets to 5 per cent this year. Mr. Jan de Kleermaeker, head of Leyland Benelux said here today. Last year the 43,000 Leyland cars sold in Benelux made it the U.K. company's second biggest export market behind the U.S.

In an interview at the first of the big European motor shows in 1978 here, Mr. de Kleermaeker said Leyland's market share had slipped to 4.4 per cent last year. The company's sales in the Netherlands and 3.6 per cent last year in Belgium, because of delivery problems. Benelux customers were still awaiting delivery of some 1,000 Rover 3.5 litre cars, 900 Mini specials, and nearly 800 Jaguars.

This backlog to the Benelux market, he said, was partly deliberate. Leyland International had decided to concentrate deliveries last year to France, Germany and Italy in order to regain a market foothold there. But Mr. de Kleermaeker said that he had been assured that his area would get priority in 1978.

While maintaining that the details of the reorganisation of Leyland being carried out by the new chairman, Mr. Michael Edwards did not concern him, he provided his car supplies, Mr. de Kleermaeker strongly advocated decentralising the company to give foreign sales directors more autonomy.

The Seneca plant is being expanded with B.Fr.400m. (£53m.) spent last year and an equal amount to be invested in 1978 and 1979. The original aim has been to allow Benelux to take over all Allegro assembly, leaving Leyland plants in the U.K. to produce the new Mini model.

U.K. in Sudanese farm project

BY JAMES BUXTON

A SUBSIDIARY of Dalgety, the British-based international food and agriculture company, has won the contract to manage the two-and-a-half year first phase of a large-scale agricultural project in Sudan. During this period 34,000 acres of land are to be developed of which 6,000 will be cropped and 28,000 used for ranching.

Over the first seven years the investment cost of the project is expected to be nearly \$50m. By that time it is expected to produce 41,000 tons of sorghum, 34,000 tons of sesame and 15,000 tons of seed cotton.

Some 621,000 acres of sparsely populated but fertile land near Damazin, about 300 miles south of Khartoum, have been leased by the Sudan Government to the Dalgety Agricultural and Animal Production Company.

The company's biggest shareholder is Prince Mohammed bin Faisal, son of the late King Faisal of Saudi Arabia. Other shareholders include two prominent Sudanese businessmen, al-Saad and Lella and Fath Rahman Beshir, and the Blue Nile Province Government.

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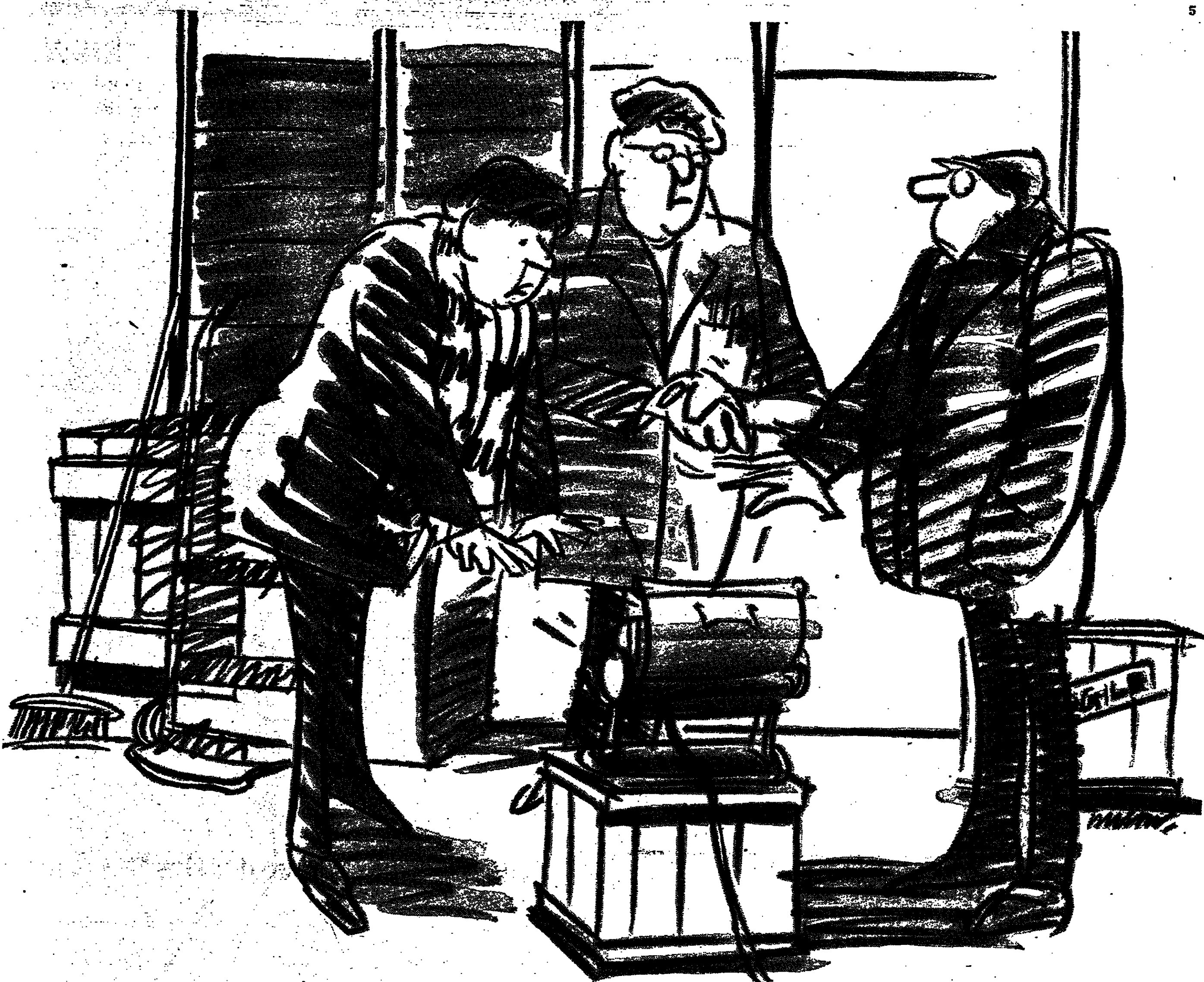
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Oil companies urged to support U.K. yards

of nationalised energy industries, the Department of Energy's offshore supplies office, Taylor Woodrow Construction, CJB Offshore, Sir Robert McAlpine, KCA International, Matthew Hall, Davy International, George Wimpey and General Electric Company.

The total labour force in June 1976 was recorded by the Statistical Office as 24.75m., with nearly 17.5m. employed in the private sector. The remaining 7.25m. were employed by central government taxes and social security contributions in total in the U.K. were equivalent to just more than 40 per cent. of gross national product. This put the U.K. in about middle position among the 19 countries

Under the 13-month rule for the spacing of pay deals, the nationalised industry chairmen and Board members may have to wait until next January before they can receive a pay rise. The will be recommended in the Boyle Report in the spring. Such a delay would cancel the advantage they have gained by receiving rises from last week.

"The rents from older houses built at what now seems to be small cost are often making surplus over their cost in low charges and maintenance."

is due to meet the Lord Chancellor tonight to press for the sacking of the 68-year-old Australian-born judge. A Commons backbench motion to that effect circulating yesterday has already attracted more than 80 signatures.

The row built-up since the judge's remarks last week that the use of the words "niggers, wogs and coons" by Mr. Reid were not in themselves harmful

an appeal against Mr. Reid's acquittal.

Interviewed in Delhi by the BBC, Mr. Callaghan insisted the judge was competent and the Brits people were determined the racial discrimination would succeed. Although he refused to comment on the McKenna incident, he said that the "weight of opinion and legislative opinion will continue to be thrown against discrimination

In addition, the association urges that the value of the shares acquired by the Government, in a company subject to nationalisation, should be defined for taxation purposes. It suggests their value should be defined as the value of the Government stock for which those shares are to be exchanged, on the first day of dealings.

The British are hoping on a trial period of about six months

high energy prices are 'good for you.' There are two ways of adjusting to this: Either less energy intensive techniques, or no growth at all.

"The first problem is getting the sustained economic growth—only then do we have an energy crisis."

A report on Nationalised industries to-morrow from all-party sub-committee of Commons Select Committee will call for the publication of letters between Mr. Eric Varley, Industry Secretary, and Charles.

The Speaker is to rule tomorrow.

It was chosen as an ideal for communication with Royal Navy ships in the North Atlantic and the North Sea. British also favoured Grimsby for North Sea gas terminal, but subsequently moved three miles

determination not to have franchise for South-Eastern minority interests in companies. C and C was formed in 1954. It acquired the C and C stake along with Watney in 1970 and when Whitbread was also has on various occasions since involved. In 1975 its future attempted to interest Cadbury threatened by severe cash-flow problems and the sharehold Schweppes in a different

He is said to be a dynamic worker, able to grasp the details and practical policies necessary to mastermind the Second devolution proposals.

with turnover per employee going up by 50 per cent. The average return on capital also increased, from 3.8 per cent in the previous year to 10.4 per cent.

Although these improvements affected all car dealers, distributors of the big four firms

sales per employee gone up to about £12,500 a year, compared with £3,500 for the British concerns. Average margins were about 2.3 per cent in 1975-76.

The Business Ratio rep

BY LYNTON McLAIN, INDUSTRIAL STAFF

MIRRORS valued at £80n. are to be exported by Magnetex, the Hounslow vehicle component manufacturer, for Chrysler's new Horizon car, on sale in France during January and February.

The Magnetex mirrors are internally adjustable and the company says it is the first time mirrors of this type have been supplied as original equipment on a low-priced car.

The mirrors are adjusted in the same way as the horizontal planes by a pair of con knobs inside the door. The mirror retains the feature of more conventional designs.

British mirrors are exported to French Chrysler factories. Production of the is also scheduled for Spain and the United States.

The company denied reports that it would produce the new Britain, where it will be produced from October 20, 1978.

The Northern Ireland Department of Commerce has accepted a plan to scale down the company's operations because of

three-quarters of the British market in stainless steel cutlery. This has led to calls for global quotas to limit imports and in the case of nickel silver blanks for cutlery, a total ban.

Both solutions were rejected

Earlier the Department Trade had said the industry should aim to get voluntary restraint on imports, a reference to the 25 to 30 per cent of imports accounted for by British manufacturing companies.

Badminton

Under-21 Championships also benefit from the deal drawn up with the Badminton Association of England.

Mr. E. W. Phillips, chairman of Friends' Provident, explained that the family element of winter had been attractive

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LABOUR NEWS

Arbitration move on Merseyside rejected

By Pauline Clark, Labour Staff

HOPES FOR a quick end to the Merseyside dockers strike were dashed last night after union leaders rejected fresh proposals for independent arbitration in the three-week-old dispute over absenteeism.

The union and port employers will be meeting again later today, however, after what the Port Employers Association described as "a useful exchange of views" between shop stewards and their standing negotiating committee yesterday.

A renewed appeal for independent arbitration on the row over dockers who were not paid over the Christmas period was made by employers only a few hours after 2,000 dockers in the port's independent stevedoring companies walked out in support of striking colleagues in the Mersey Docks and Harbour Company.

With 6,000 of the port's dockers on unofficial strike yesterday, work in the docks was brought to a standstill. About 36 deep sea cargo ships and seven coasters are now affected.

The port employers yesterday suggested paying the disputed wages sum into a bank which would be paid to the dockers if the arbitration decision went in their favour or would go to "a medical charity" of their choice if it went against.

Scargill stays out of ballot on pit incentive

By PAULINE CLARK, LABOUR STAFF

THE YORKSHIRE area ballot on incentive schemes in the mining industry will be put to about 60,000 miners in the region this week without a recommendation from the Left-wing leadership. There are indications that miners in the region may reverse their previous 77 per cent rejection of productivity schemes.

Local officials of the National Union of Mineworkers said yesterday that Mr. Arthur Scargill, Yorkshire miners' leader, has decided not to become directly involved in influencing the vote on this time because his opposition to such schemes had been made clear enough already.

After his well-publicised campaign and recommendation to reject at the time of the national ballot, the men know where they stand well enough. The policy in the second Yorkshire area ballot is in contrast with the adopted by Kent miners' leaders ahead of their members' decision over the week-end to go along with the union's executive decision to allow area bonus schemes.

Kent joined Yorkshire last month in seeking a High Court injunction against implementation of such schemes, but after the attempt failed, recommended acceptance to members. This was to prevent members suffer-

ing in comparison with miners elsewhere.

The decision of the ballot in Yorkshire to-morrow and Thursday could be crucial in deciding the outcome on the issue in South Wales — the only other area which strongly opposed productivity schemes previously and which has to make a final decision.

Of the 46,000 out of a total 60,000 Yorkshire miners who voted in the national ballot, 77 per cent were against the schemes. But, without a formal directive from Mr. Scargill and with the additional proviso on whether those who vote "no" are prepared to take industrial action, there is talk in Yorkshire of the new ballot producing a possible 55 to 60 per cent vote in favour.

Out of 66 collieries in the area, 24 have made either formal or informal approaches to the Coal Board on introducing productivity schemes. This suggests at least about 40 per cent of miners in Yorkshire may vote in favour.

Production at Betteshanger colliery, the largest pit in Kent, was halted yesterday by a walk-out of underground workers. The men are said to be demanding their own productivity bonus against the policy of their union leaders.

Vote by firemen in the balance

By Alan Pike, Labour Staff

THE FINAL vote on a return to work at Thursday's Fire Brigades Union conference will be heavily influenced by meetings taking place in several of the country's largest brigades to-day.

In Scotland, an appeal for support to return to work by Mr. William Millar, Scottish executive member of the union, was defeated yesterday by the regional committee.

Representatives of only one of the eight Scottish regions—Dumfries and Galloway—voted to accept the employers' offer and the committee is recommending continuation of the strike. This is now being considered by Scottish firemen.

This morning, the union's London regional committee will meet to consider how the 12 delegates representing the 6,000 men in Britain's largest fire brigades should vote on the proposed peace formula, which is being recommended by the union's executive.

The 1,500 members of Merseyside Fire Brigade—an area where support for the strike has been at its most intense—meet in Liverpool boxing stadium to decide whether to accept the offer.

Local union representatives will explain the details of the proposed new pay formula—which would bring firemen's wages into line with skilled manual workers in industry by November, 1978—but will make no recommendation.

There were several votes in support of a return to work in county brigades yesterday. Warwickshire members voted 200 to 40 to accept the pay formula.

A similar vote for acceptance was carried in West Glamorgan—123 to 62—and elsewhere in Wales there were votes for acceptance in Gwynedd, Clwyd and Dyfed.

Another county to vote in favour of the offer yesterday was Hampshire.

Post Office union talks on 35-hour week claim

By OUR LABOUR CORRESPONDENT

DELEGATES of the Post Office Engineering Union have been called to a special conference this month to discuss the future of a 35-hour working week as a policy objective. In October and November, the union began two stages of industrial action involving non-co-operation in field trials and the commissioning of new equipment and exchanges.

Union leaders have been involved in discussions with the Post Office since last year's conference adopted the 35-hour week as a policy objective. In October and November, the union began two stages of industrial action involving non-co-operation in field trials and the commissioning of new equipment and exchanges.

Negotiations have produced next week has been called off by an offer of a limited reduction in the working week to be the decision to recall the commissioning out of productivity and ference.

Joint action planned by Leyland workers

By Peter Cartwright

JOINT ACTION committees are to be set up at all 36 Leyland Cars plants to oppose any re-organisation involving reduction of activities, hiring off of parts of the company and redundancies.

The decision was taken yesterday at a special meeting of members of TASS, the technical, administrative and supervisory section of the Amalgamated Union of Engineering Workers.

The three other unions, covering professional, executive, computer and other staffs (APEX), the Association of Scientific Technical and Managerial Staffs (ASTMS) and the technical and supervisory staffs (ACTSS)—the white-collar branch of the Transport Union—are expected to join in. They have already indicated their support for joint action.

Mass meetings to which local MPs will be invited are to be called by the action committees. The Engineering Union section has also called for a demonstration from union members at Thursday's meeting of the Leyland Cars Council.

This will be attended by Mr. Derek Whitaker, whose sudden resignation as managing director last week was publicly deplored by both white and blue-collar unions, and by Mr. Ray Horrocks, the recently-appointed deputy managing director. Mr. Whitaker leaves at the end of the month.

After yesterday's six-hour meeting Mr. John Rowan, Midlands Senior Officer of TASS, said: "We want to make quite clear to the new management our opposition to any proposals detrimental to members."

The Engineering Union section embraces almost all those concerned with the design and tooling for new and face-lifted models. On Friday, it refused a management request to subcontract work on the Marina model valued at several million pounds.

Yesterday, it broadened this refusal to a general embargo that no such work should be contracted anywhere outside the company.

Little hope of end to Ford strike

Financial Times Reporter

TALKS went on for most of the day yesterday at Ford's Halewood factory, Merseyside, to try to resolve an unofficial strike by 1,000 body plant press shop workers. The action could lead to a shutdown of the £100m plant and the lay-off of 8,000 men.

Senior Halewood shop stewards will pass on the results of the talks with plant management and a district officer of the Transport and General Workers' Union to a meeting of the striking men this morning at Transport House, Liverpool.

The prospect of an end to the day-old strike, which is over new productivity and work schedules, and an early resumption of work did not appear bright last night. Production of finished Escorts is not likely to be affected by the drying-up of the supply of car bodies until later in the week.

Unions gain certificates

FOUR MORE trade unions have been given certificates of independence under Section Eight of the Employment Protection Act 1975.

They are: Burnley Building Society Staff Association; the Courtaulds senior staff union COSESA; the Scottish Health Visitors' Association; and the Aston Independent Society of Cricket Ball Makers.

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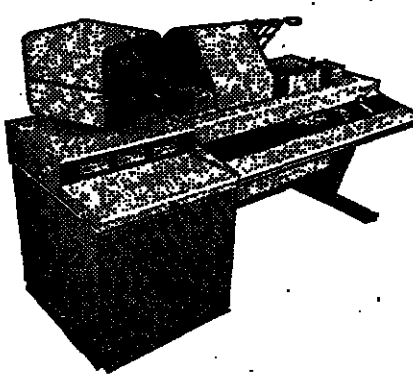
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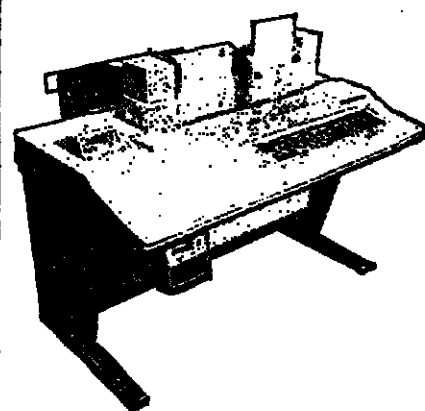
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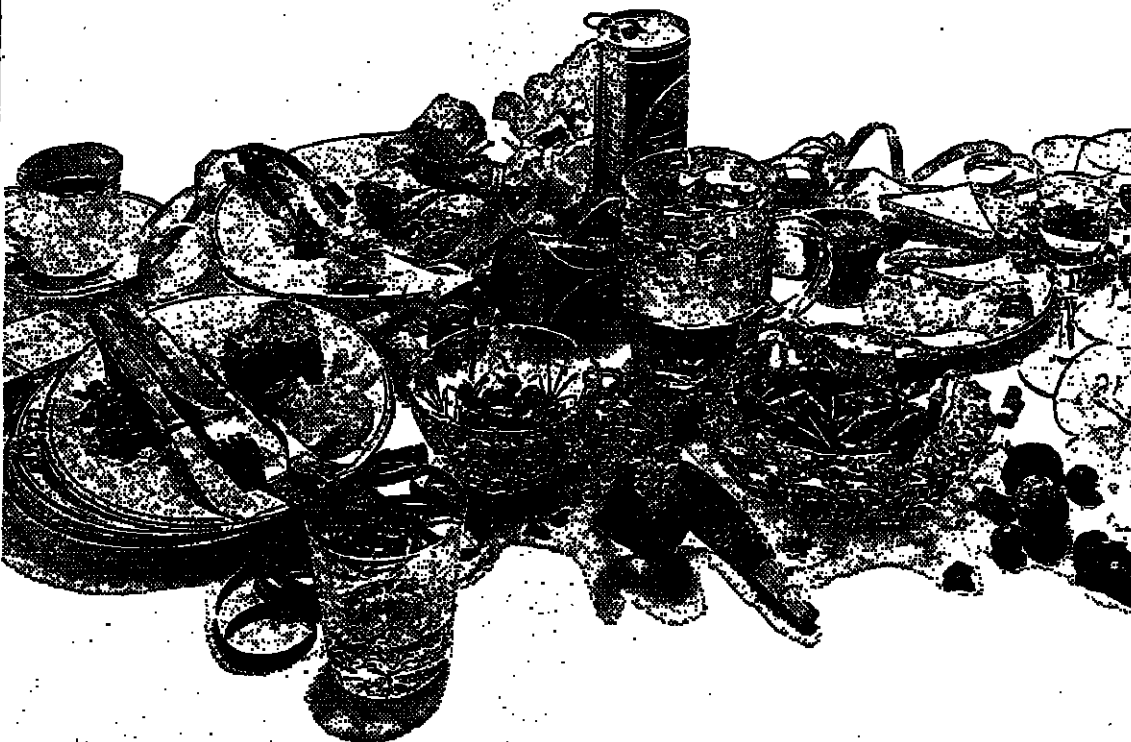
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PARLIAMENT and POLITICS

Du Cann hopes for tighter spending control by MPs

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE SYSTEM of Parliamentary control of expenditure has become farcical and MPs are totally failing in their duty to control Government spending, Mr. Edward du Cann, chairman of the Commons Public Accounts Committee said last night.

He urged that Parliament should adopt the new system of tighter control recommended in the third report of the Public Accounts Committee last March.

Under this proposal, cash limits would be incorporated in a reformed system of Parliamentary estimates and accounts. Mr. du Cann believes that this would result in a programme of full cash budgetary control with MPs able to keep it under constant scrutiny.

He told MPs that the committee would be investigating this matter further in the present session and would be having discussions with Treasury officials. He hoped to be able to report in six months' time that such a method could be operating by the 1979-80 financial year.

In addition, he proposed tighter control on expenditure of public money by the National Enterprise Board and the British National Oil Corporation, with the Comptroller and Auditor General having full access to their books and accounts.

Opening the annual Commons debate on the various reports of the PAC over the past year, Mr. du Cann C. (Taunton) made a scathing attack on the short-



MR. EDWARD DU CANN
"Parliament failing the nation."

comings of the present method which, he said, had remained virtually unchanged for generations.

"We vote millions on the nod," he told the House. "In the context of control and scrutiny of public expenditure, the questioning of Ministers, investigation in depth of what is being done with the taxpayers' money, there is no doubt that our procedures are very ineffective."

Mr. du Cann pointed out that the committee had only a narrow remit. "The reality is that the work we do is only a tiny fraction of what needs to be done—the tip of the iceberg."

"The inquests of the Public Accounts Committee and the post-mortems are fine. But they are hardly a recipe for a healthy

"Parliament, I believe, is failing the nation at this time," he declared.

Mr. du Cann welcomed the introduction of cash limits but pointed out that they had never been discussed in the chamber. No MP had had the opportunity to debate the limits on defence, health, agriculture or any other of the 125 items which made up the total.

"That is the way the Executive treats this British Parliament. That is the contempt it shows for us. It is shocking that here we have an administrative system not subject to national Parliamentary procedures of any kind."

"Any true democrat must be dismayed at the way we have been so careless of our Parliamentary tradition. Debates on estimates of supply have become farcical."

"Taxpayers and Members of Parliament should control the Executive. This we don't do in this House. Parties have far too much power to allow us to do that. We have an all-powerful Executive—an elected dictatorship."

Mr. du Cann pointed out that the committee had only a narrow remit. "The reality is that the work we do is only a tiny fraction of what needs to be done—the tip of the iceberg."

"The inquests of the Public Accounts Committee and the post-mortems are fine. But they are hardly a recipe for a healthy

effective democratic practice. "If there is no control or the controls are inadequate, then inefficiency will follow just as night follows day. We should control the Executive by controlling the purse strings. That is what we don't do."

"I am not arguing against public expenditure. I am arguing for its proper control by the one body authorised to control it and with a duty to do so."

The members of the committee were determined to see the necessary reforms carried out. It was absolutely essential to re-capture public confidence. The slogan must be "Parliament rules OK."

Mr. du Cann declared: "If the parties will not lead, then we must certainly will."

Turning to the NEB, Mr. du Cann recalled that it was being given £1bn. of public funds of which £240m. had already been issued. "I must say that the committee is not satisfied with the present arrangements for accountability to Parliament in the absence of any access by the Comptroller and Auditor General. It cannot be right that a servant of this House should be denied access to the records and books of the NEB."

The committee would be reviewing the adequacy of the present system which was plainly unsatisfactory.

There was a similar situation regarding the ENOC. The Department of Energy and the Treasury had told the committee that they would look again at the matter of access for the Comptroller and Auditor General.

Mr. Dennis Skinner (Lab., Bolton) intervened to ask if Mr. du Cann would be as enthusiastic for his committee to investigate the Bank of England's "lifeboat operation" of aid to secondary banks which had got into difficulties. He pointed out that Mr. du Cann had had a past association with one of the companies involved.

Mr. du Cann replied that he would have no objection at all to such an enquiry and said that Mr. Skinner could make a request to the committee if he wished.

He agreed with Mr. Michael English, chairman of the general sub-committee of the Commons Expenditure Committee, that the Comptroller and Auditor General should be empowered to look at any set of accounts—into which public money went, whether it was a public or private business.

Minister pressed on State industry chiefs' pay

By Ivor Owen, Parliamentary Staff

A PRODUCTIVITY element might be considered if the present basis for determining the salaries of the chairmen of Britain's nationalised industries were to be changed, Mr. Anthony Wedgwood Benn, Energy Secretary, suggested in the Commons yesterday.

He was replying to Left-wing MP Mr. Dennis Skinner (Lab., Bolton) who, in a bitter attack on the area productivity deals being negotiated in the coalfields, accused the "respective bosses" of the NUM and the NCB of "conspiring together to smash the unity of the NUM."

In doing so, they had ignored the outcome of a democratic ballot, he said.

Mr. Skinner called on the Minister to ensure that the next time Sir Derek Ezra, the chairman, and others in the higher echelons of the NCB, sought a massive pay rise, they were told to ask for a productivity deal.

Mr. Benn reminded Mr. Skinner that payments made to the chairmen and other members of State Boards were handled on the basis of recommendations made by the Boyle Commission on top salaries.

"Discussions have taken place as to whether or not it would be better for these matters to be dealt with in the context of particular industry. Were that to be the case, considerations of the kind you have mentioned might come to the forefront," he said.

Problems

Mr. Peter Viggers (C, Gosport) asked how long the Government would continue to tolerate the situation where people who were not full members of nationalised Boards, were in many cases, paid far more than some who had full-time responsibility.

Mr. Benn said he had had a number of discussions about anomalies in the pay of members of nationalised Boards including the question of "reverse differentiation" between the higher paid officers and Board members.

"This is one of the problems which causes greatest concern in the nationalised industries," he stated.

While refusing to be drawn into controversy over the role of the NUM in the area productivity deals, Mr. Benn recalled that the 1974 tripartite agreement had referred to productivity schemes. "These have been handled in the normal way by the management and the unions," he said.

Mr. Richard Kelley (Lab., Don Valley) asked the Minister to look at reports that the productivity agreement at Bevercotes Colliery meant that face workers would receive an increase of £23 a week without any extra effort or any extra productivity.

This was either a case of "indecent propaganda" or a flagrant breach of the Government's 10 per cent guidelines, he claimed.

Mr. Benn replied that such arrangements were locally negotiated. It was not really for the Government to comment on them.

Mr. Paul Channon (C, Southend W.) pressed the Minister to confirm that it was Government policy "and your own personal policy"—that all those in nationalised industries, including the miners and power workers, should be subject to the 10 per cent guidelines.

Mr. Benn said that Government policy had been made clear on many occasions.

White Paper

THE PUBLIC expenditure White Paper is to be published on Thursday this week, Mr. Joel Barnett, Chief Secretary to the Treasury, told the Commons yesterday.

Liberal former president argues for ending pact

BY RUPERT CORNWELL, LOBBY STAFF

LESS THAN two weeks before the emergency Liberal Assembly in Blackpool, significant opposition to any extension of the agreement with the minority Labour Government has surfaced throughout the party.

A number of senior officials have formed a new action group "Liberals Against the Pact" with the declared aim of bringing the arrangement to an immediate end—an outcome which Mr. David Steel, the Liberal leader, has made clear would mean his own resignation.

At the same time, Lord Banks, a former president of the party, makes clear in an article in today's "Liberal News" his own preference for an early break with Labour, now that all hope of securing a measure of electoral reform from the Government has vanished.

The view of Lord Banks, an elder statesman, who commands considerable respect within the Liberal ranks, is that with the Commons defeat of the list system of proportional representation for Europe last month, the pact no longer has any point.

But, in his personal support for Mr. Steel, the former president touches the heart of the dilemma facing Liberals in Blackpool: how to end an arrangement in general deeply disliked by the grass roots, but to avoid the departure of their



Lord Banks

leader—a prospect contemplated with horror throughout the party.

Lord Banks insists that whatever the benefits conferred on the country by the Lib-Lab deal, its prime purpose in political terms was to win electoral reform, the only avenue leading to a lasting increase in Liberal influence.

In a key passage, he says: "In the absence of electoral reform,

the only way to make sense of the arrangement is through an electoral pact under which, in each constituency, the candidate of the party whose chances are less would withdraw. But neither Liberals nor Labour are prepared for that."

Such the same argument is advanced by the pressure group, which asserts that the pact has outlived its usefulness. It dismisses any strategy of "Vote Liberal for moderation," and is angry at what it sees as indifference by Liberal MPs to the mood of the party in the country.

Until yesterday, Mr. Steel had appeared to be regarding the pact as the upper hand in his struggle to induce the assembly to back an amendment that would leave the decision on a break with Labour in the hands of the parliamentary party.

This week-end, the Scottish Liberals are expected to endorse the line taken by Mr. Steel, who is due to appear on television tomorrow to carry his case to the public.

No contender has emerged to replace him should the Blackpool vote demand an immediate end to the pact. The most natural successor, Mr. John Pardoe, MP for North Cornwall, has repeatedly stressed that he does not want the job and backs Mr. Steel.

Benn hints at early reactor decision

BY IVOR OWEN, PARLIAMENTARY STAFF

A STRONG hint that the Mr. King accused Mr. Benn Cabinet may take its long-awaited decision on nuclear reactor policy within the next five weeks was given by Mr. Anthony Wedgwood Benn, Energy Secretary, in the Commons yesterday.

He told MPs that he very much hopes that the decision will be close, "if not already made," by the time the Energy Commission has its next meeting on February 13.

Mr. Benn, who stressed that the choice between the British-designed advanced gas-cooled reactor (AGR) and the American-designed pressurised water reactor (PWR) will be made by the Government and the commission, said a wide range of factors had to be taken into account.

The views of the commission, which he agreed had come down strongly in favour of the AGR, and those of other interests would be fully considered.

Replying to Mr. Tom King, Conservative energy spokesman, Mr. Benn confirmed that the Central Electricity Generating Board and the South of Scotland Electricity Board wished to order AGR reactors.

"The discussion is about what may follow at a later stage," he said.

The Minister was adamant that nothing had been agreed from the last meeting of the Energy Commission had in any way limited the range of discussion which was still to take place.

Arms debate call rejected

THE GOVERNMENT has been misled about the use intended for a shipment of British arms to El Salvador, Mr. Stan Newens (Lab., Harlow) said in the Commons yesterday.

But his plea for an emergency debate was rejected by the Speaker, Mr. George Thomas.

Mr. Newens said that the £850,000 shipment could be used against British troops sent to help Belize.

He did not accept the British Government's claim that El Salvador had guaranteed not to use the arms to support Guatemalan claims against Belize. He had information to the contrary.

Credit agencies protest by MP

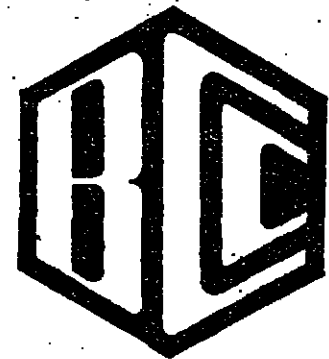
MR. ANTHONY Wedgwood Benn, Energy Secretary, told MPs yesterday that he would look into an allegation that gas and electricity Boards were using private credit checking agencies.

Mr. Dennis Canavan (Lab., Stirlingshire W.) said in the Commons that Mr. Benn should ask the Board chairmen why they used such agencies to check on potential customers before they were supplied or hire purchase transactions were agreed. It was intolerable that a public body should use "private snoopers," he declared.

Mr. Benn said he would inquire into the matter and write to Mr. Canavan.

N. Sea divers

AS MANY as 1,000 divers were at work in the U.K. sector of the North Sea during 1977, Dr. Dickson Mabon, Energy Minister, said in a Commons written reply yesterday. The number in the whole of the North Sea at peak periods was 1,500 he said.



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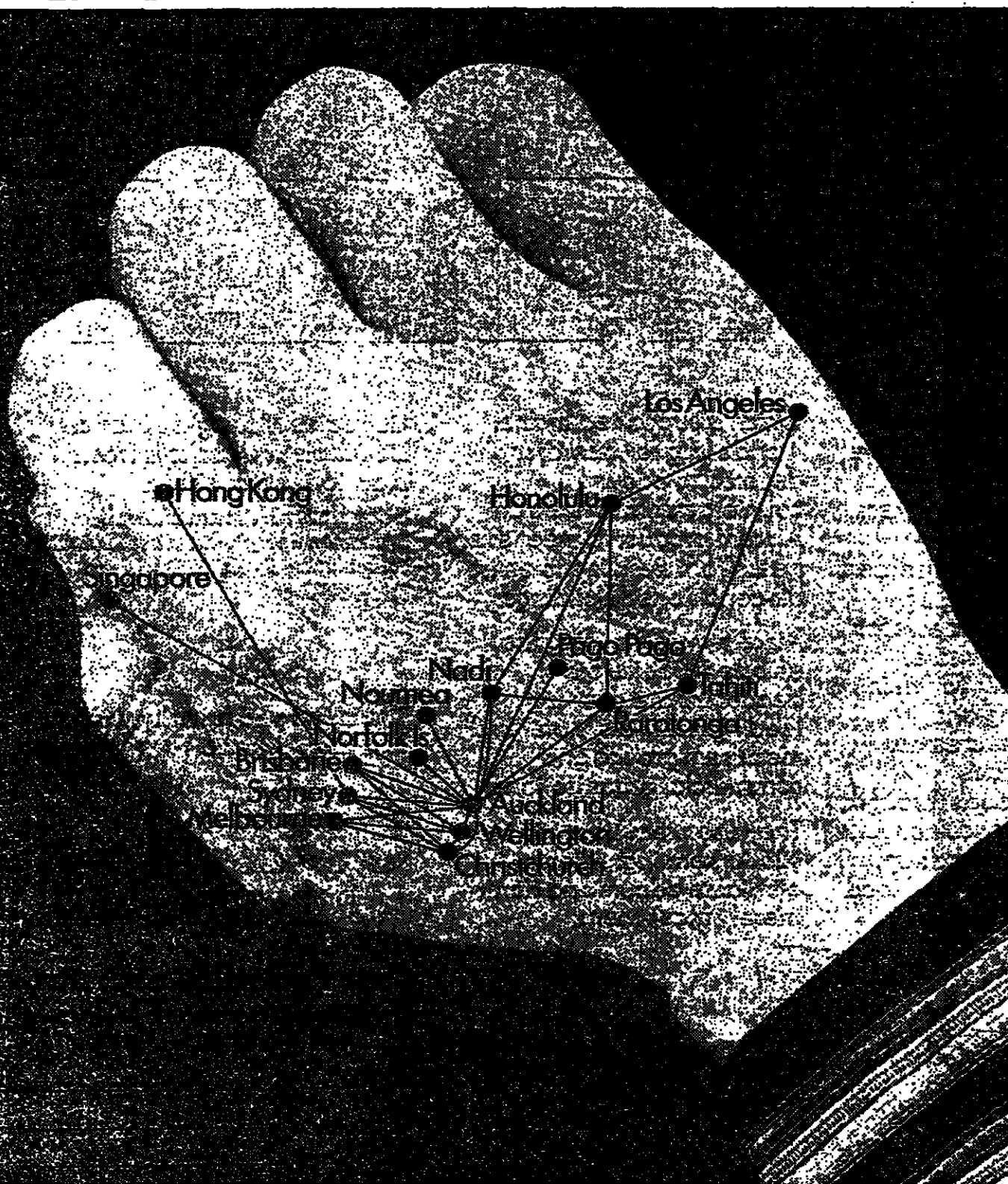
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APPOINTMENTS

Ian Fraser on EM Board



Mr. Ian Fraser

Mr. Ian Fraser has been appointed a member of the Board of E.M.I. Fraser is deputy chairman of E.M.I. and Co., chairman of Rolls-Royce Motors and director of BOC International (Chloride) Group, Davy International, S. Pearson and Son, and Vithall Trust.

Mr. J. L. Douglas has now succeeded Robert Douglas as chairman of ROBERT DOUGLAS BUILDINGS and Mr. C. Marjoram has been appointed deputy chairman. Mr. Robert continues as executive director.

MERCANT INVESTORS ASSURANCE COMPANY, a subsidiary of the Nationale Nederlanden Group of Holland, has appointed Sir Robert Eddison as chairman on the retirement of Mr. R. Reub. Sir Robert is also chairman of the Life Association of Scotland, another subsidiary of the Nationale Nederlanden Group. Mr. O. Battink, a member of the executive Board of Nationale Nederlanden joins the Board of Mercant Investors. He becomes a member of the permanent panel.

Mr. L. C. Pratt is to become chairman of REDFERN NATIONAL GLASS after the annual meeting on February 3 and will continue as managing director. He succeeds Mr. Stanley Race, who is resigning as chairman but will remain on the Board.

Mr. Dennis P. Johnson has been appointed managing director of CENTRE HOTELS (CRANSTON), a subsidiary of the Coral Leisure Group, from April 1. Mr. Johnson is director of Watney Mann Truman Bowers and chair of Watney Mann (West) and acting director of Watneys Southern.

Mr. Malcolm Reid, an Under-Secretary in the Department of Industry, is to succeed Mr. Michael Mifs as head of the DEPARTMENT OF TRADE'S Insurance Division, which sponsors the British Insurance industry at home and overseas and supervises the solvency of companies authorised in Britain. Mr. Morris has been appointed head of the DEPARTMENT OF INDUSTRY'S Industrial Planning Division.

Mr. William H. Hawkes has joined the Board of UNICORN INDUSTRIES. He is chief executive of its abrasive grain division.

Mr. Gerry Grant, technical publications, and Mr. Douglas Duff, engineering services have joined the Board of INDUSTRY SERVICES INTERNATIONAL, a company within IPC Business Press.

Mr. Roger Culpin has been appointed a director of BARCLAYS MERCHANT BANK.

Mr. Alan Jackson has been appointed company secretary of PISHBURN PRINTING INK COMPANY in place of Mr. Jack Austen who continues as financial director.

Mr. W. K. Fraser, at present a deputy secretary in the Scottish Office, has been appointed Permanent Under-Secretary of State, Scottish Office, in succession to Mr. Nicholas Morrison, who will be retiring from the public service on March 31.

Mr. J. B. M. Coates has retired as a director of COATES BROTHERS AND CO. and has been made an honorary life president.

Mr. R. S. Fisher has resigned as a director and secretary of the CRONITE GROUP and Mr. D. F. Cannon, a non-executive director, has been appointed secretary.

Mr. Victor M. Blackburn, managing director of Glenhill of Edinburgh has succeeded Mr. Philip Brook as chairman of the National Wool Textile Export Corporation, from April 3.

which represents the export interests of the U.K. wool textile industry. The new vice-chairman is Mr. Gerard Litten, managing director of British Mohair Spinners.

Mr. J. J. Gardner has resigned as senior general manager of the ORION INSURANCE COMPANY. A joint general manager has been appointed to take charge of motor operations, other provincial fire and accident business and the Folsom office. He is Mr. Folkert Voelzenang (general manager, international division, Nationale Nederlanden) who fills the post in an acting capacity.

Mr. Colin Lowe has been appointed chief executive of NORTHERN VENKERS, a member of the International Timber Corporation's building products division. Mr. Eric J. Beck has been made purchasing director of Gliksten Plywood.

Mr. K. E. Ramsey has been appointed general manager, operations, LIBRA BANK. Mr. E. R. Masferrer has become assistant general manager, America. Mr. P. E. Franceschi, Mr. R. J. Halcrow and Mr. F. L. Raham, senior regional managers, and Mr. P. J. James, money manager.

Mr. M. L. J. Hamblin and Mr. N. R. Hayden have been appointed directors of BRADSTOCK PLUM-KET AND CRAWLEY. Mr. Hayden continues as company secretary to the group.

Mr. George Medley has been appointed director of the British National Appeal of the WORLD WILDLIFE FUND. Mr. Medley has been managing director of Glaxo Laboratories (India) in Bombay for the last five years.

Mr. T. D. Hamilton has been appointed to the Board of BELDAM ASBESTOS COMPANY, responsible for production.

A number of overseas executive changes have been made within the HAWKER SIDDELEY GROUP. Mr. C. Stacey has been appointed to the Boards of Hawker Siddeley Electric Zambia and South Wales Electric Zambian. Mirlees Blackstone (S.E. Asia) Pte has been formed, registered in Singapore, to handle the sales, servicing and spare business of Mirlees Blackstone (Stockport) and Mirlees Blackstone (Stamford). Its Board consists of Mr. A. A. Adley, Mr. J. Carr, Mr. A. C. Ferguson and Mr. R. H. Savage.

Mr. A. P. P. is secretary, Mr. S. L. Munn becomes president and Mr. R. A. Lister, a director, of R. A. Lister Canada. Mr. R. J. Wilson has joined the Board of R. A. Lister New Zealand. Changes have been made at EDH Holdings Australia, and its Board is now Mr. E. R. Bessy, chairman, Mr. R. Kingsford-Smith, deputy chairman and managing director, Mr. L. R. Jones and Mr. B. S. Price. Mr. W. R. P. Hansen is secretary. Two subsidiary operating companies of EDH Holdings have been established called Hawker de Havilland Australia Pty and Hawker Pacific Pty, under the chairmanship of Mr. Kingsford-Smith.

Mr. E. A. Baldwin has relinquished his group directorships of MINNET HOLDINGS because of ill-health, but remains a consultant.

Mr. P. W. Madderson has been appointed sales director of EXPANDITE, a subsidiary of Burmah Oil.

Air Commodore Colin Foale has been appointed director of public relations (RAF) at the MINISTRY OF DEFENCE in succession to Air Commodore P. R. Hine.

Mr. Richard Ward-Jones, previously U.K. sales manager, BSR, has been appointed managing director of BSR (JAPAN).

Mr. E. J. Ward, of Brantford International, has joined the SIMPLIFICATION OF INTERNATIONAL TRADE PROCEDURES BOARD.

Mr. R. C. Hawson has been appointed a director of BUCKLEY INVESTMENTS and continues as managing director of Miller Buckley Group Services and legal adviser to the group.

Mr. W. L. Jones and Mr. R. W. Lenton have joined the Board of TRUFLOW, a member of the Wilmot-Breeden (Holdings) group.

Mr. David Morphet, an assistant secretary in the Department of Energy, is to become deputy chairman of the MIDLANDS ELECTRICITY BOARD in succession to Mr. Cyril Wickstead, who was recently appointed chairman of the Eastern Electricity Board. Mr. Morphet will be seconded from the Department of Energy for a three-year term from April 3.



Kim Cha Han and her neighbors just ordered the most advanced phone system in the Pacific.

It's the proven Metacona computer-controlled electronic switching system. Selecting it was an important decision for the Republic of Korea—a \$500 million expansion program was at stake. It took Korean experts two years of careful evaluation. The Metacona system had to measure up against all comers. In criteria like reliability, performance in actual operating conditions, and overall economy. At the same time, they insisted on a

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FINANCIAL TIMES OFFICE EQUIPMENT SURVEYS 1978

The Financial Times will be publishing a number of Surveys relating to the Office Equipment Industry, in 1978, eight of which are listed below:

Computer Industry	February 21
Information Handling	March 30
Calculators	April 20
Word Processing	June 1
Microfilm	June 7
Computer Finance and Leasing	July 5
Office Equipment	October DTBA
Computer Peripherals	November DTBA

Details of these Surveys will be published next year, but if you have any immediate queries about these titles or advertising rates, contact:

Robert Murrell or Sally Evans

Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY. Tel: 248 8000, Ext: 246 or 240 respectively. Telex: 885033 FINTIM G.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

The content and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

TSB BASE RATE

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EDITED BY ARTHUR BENNETT AND TED SCHUETTERS

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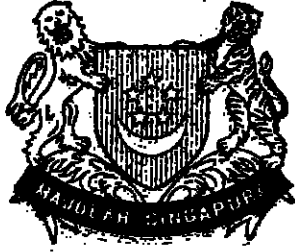
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New Issue December 27, 1977



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More from the company at Durban Road, Bognor Regis, Sussex PO22 9QX (02433 3121).

Marketing move

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The Management Page

EDITED BY CHRISTOPHER LORENZ

A delicate partnership

Mary Campbell looks at how some major American banks are trying successfully to combine their traditional commercial activities with merchant banking business

HOW TO combine merchant banking successfully with commercial banking has been one of the most pressing problems for bank management in the last ten years. This has particularly been the case in countries like the U.S., Canada, Japan and Britain, where for reasons of law or habit the two kinds of banking have historically been carried out by different institutions. But even in countries where the structure of the banking industry follows the continental European model of universal banks — embracing all forms of banking business — the issue continues on occasion to cause some friction.

The difficulty has basically been that merchant banking has traditionally required disciplines and attitudes that in some ways are alien to commercial banking. Therefore, as the latter have started to move into the merchant banking sector for the first time, differences have had to be reconciled — not always successfully.

Commercial banks have in their domestic markets tried in the last ten years to build up their investment (or merchant) banking capability. These incursions have been fought hard by the independent merchant banks — which are too small to hit back by moving into commercial banking.

Friction

Similar moves by the commercial banks internationally have not created such friction. This is largely because Euromarkets — a blanket term now used to cover all types of international banking business — have grown so fast from scratch to several hundred billion dollars since their inception 15 years ago that there has been plenty of room for everyone.

The freedom of international markets has led Japanese and U.S. commercial banks long since to establish the principle that they are allowed internationally to do investment business which they are strictly forbidden from touching at home. However, they have been able to build up the profits of their international operations so

fast by concentrating on commercial banking, that in many cases they have not until now organised themselves to take a big share of the international investment banking business.

What is basically meant by international investment banking in this context is fee-earning business rather than business where the bank's profit is mainly derived from the difference between the rate at which it borrows funds and the rate at which it re-lends them. Internationally, this means managing and underwriting Eurobond issues, and setting up departments to trade bonds in the secondary market, managing investors' portfolios, helping companies with cross-frontier mergers and acquisitions, and, above all, managing the big international bank loans where a number of banks club together to provide larger sums of five to ten year money than any one bank individually would be prepared to loan to any single borrower at any one time.

Several hundred million dollars is by no means unusual for such loans, which carry floating rates of interest tied to the cost of the banks' own funds.

Thus Chase Manhattan carried out a big restructuring of its merchant banking business in the first-half of last year, setting up a three-footed international merchant banking organisation based on London's Chase Manhattan Ltd, the Hong Kong-based Chase Manhattan Asia and a merchant banking unit in the New York head office which covers North America.

Last September, Chemical Bank announced that it was buying out its partners in a London-based consortium bank, London Multinational, and changing its name to Chemical Bank International. Most recently of all, Bank of America, the world's largest bank, has been involved in a major reorganisation involving widespread changes in the stakes it holds in financial institutions outside the U.S. as well as the establishment of merchant banking personnel in several centres round the world

working in a parallel organisation with the commercial bank branch officers.

One of the most immediate fruits of the Chase Manhattan thrust in this area was that in the latter part of last year, Chase was more evident than Citibank in the syndicated lending market. The fact that they are dollar-based has given the big U.S. banks a natural advantage in this market where the largest loans have hitherto all been dollar-denominated.

Hegemony

One of the most striking features of the market has been the dominance of Citibank in the fee-earning part of it — acting as lead manager for loans. Thus in 1976 Citibank was a lead manager or co-manager of over half the total \$28bn. worth of loans arranged in the market.

It had headed the league tables for management positions ever since they began to be compiled. The 1977 league table is not yet out, but Citicorp's hegemony has certainly been broken.

However, Citibank can comfort itself with the adage that imitation is the sincerest form of flattery. It is no accident that it got its merchant banking business organised long before Chase and Bank of America. And for the commercial banks which have yet to decide how to solve the problems inherent in getting into the international merchant banking business, perhaps the most interesting point is that basically both Chase and Bank of America have followed the model established by Citibank when it organised its merchant banking business in 1973 and 1974.

There are two basic ways in which the Citicorp model differed from the models which other banks had adopted (or drifted into). In the first place there was no room for the concept of the consortium bank except on the fringe of the Citibank organisation. Second, it involved setting up a separate organisation to report to a high level within the bank, covering all aspects of international merchant banking business.

No other bank took the principle of "going it alone" to such lengths while many of them have continued to offer different merchant banking services from within different departments of the commercial bank, often without co-ordination.

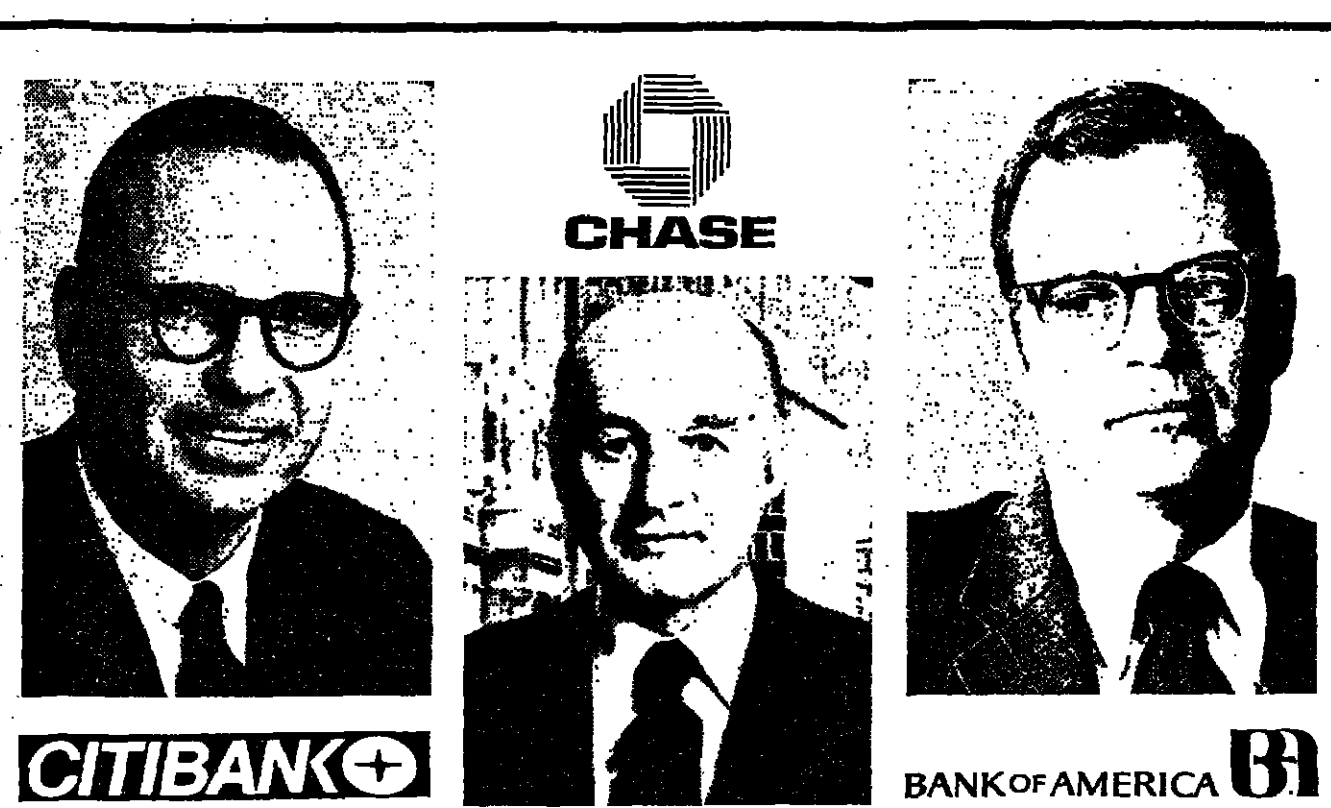
The fundamental difficulty facing commercial bankers trying to move into the fee-earning business is generally seen to be how to integrate the speed and flexibility required of the successful merchant banker into the much larger more slow moving and repetitious commercial banking business.

This is partially a problem of personnel — the successful merchant banker expects to be given more responsibility and paid more at a younger age than can conveniently (and for very good reasons) be fitted into the more hierarchical structure of a commercial bank. Solutions to this problem have been found by means of establishing separate merchant banking institutions owned by the commercial banks but where the commercial banks' salary and age structure does not apply.

A more difficult and still generally unsolved problem has been how to ensure that the merchant bank works closely enough with the commercial bank for sufficient control to be exercised and for maximum benefit to be derived without bringing the two so close that the initiative required in merchant banking is stifled.

There have been enough cases in recent years where merchant banking subsidiaries of commercial banks have gone astray on the back of the parent commercial bank's reputation to ensure that a good case for close control can be made. In addition, there is the problem of getting branch and account managers in the commercial bank out in the field to make maximum use of merchant banking services.

The way that the big three U.S. banks have set about getting the correct mix of control and freedom is to set up the international merchant banking activities as an organisation in



From left to right: Mr. George E. Putnam Jr., of Citicorp International Group; Mr. Otto Schoeppler, of Chase Manhattan Merchant Banking Group; and Mr. Robert Frick, of BankAmerica International Group.

parallel with the commercial banks' organisation. Internationally these are institutionalised under the titles "Citicorp International Group", "Chase Manhattan Merchant Banking Group", and "BankAmerica International Group" (which wags are already abbreviating to BIG). These "groups" are not incorporated as such, though a number of separately incorporated banks and finance companies round the world come under their control, as do also individual bank officers stationed in strategically placed branches of the commercial bank.

Both Chase and Bank of America have included domestic merchant banking operations within these groups, although heads of the groups, Otto Schoeppler and Robert Frick, report to the head of their respective banks' international departments.

Citicorp International Group is one of three divisions of Citibank's Merchant Banking Group which is at the same level in the organisation charts as the International Banking Group, the Investment Management Group, the National Banking

Group (covering wholesale business within the US) and so on. In all three cases, however, the structure is such that the head of international merchant banking is reporting to an executive vice-president — someone only one tier below the head of the bank.

Local

The Citibank solution to the other big problem — how to ensure maximum co-operation between the branch managers round the world and the merchant banking officers has been followed almost exactly by the other two big banks. Basically what Citicorp did here — and it is thought that it was the first bank to do it — was to set up a system whereby for the purposes of promotional prospects the credit for any deal organised by the merchant banking group would be attributed to the local account manager, regardless of how much that account manager had contributed to the successful conclusion of the deal. The aim of this system was to motivate local branch managers wherever they were in the world to search out potential

merchant banking business and rather than share the fruits of bringing it to the experts in the other banks. In other areas of major international money specialisation — most notably geographical — the consortium concept is still considered valuable even to the largest banks. Thus Bank of America is keeping its stakes in European banks, for example, and it will repeat or vary these in International Mexican Bank. Small stakes in successful consortium banks may also be regarded as trade investments, high level official in the main bank and will have reporting to him merchant banking individuals in a number of places around the world.

These and other examples — in particular Bank of America's this is that it is better for Chase to have a 20 per cent share in the business Orion banks round the world — suggest that big banks generally will increasingly dismiss the consortium banking idea except in specialised circumstances.

The main reason for this is what different league from most that the then specialised other consortium banks, and business which the consortium this would make it a particularly difficult knot to untie even the banks were mainly set up to do — medium term Eurocurrency lending — has become so big do so. At all events it does not impinge much on the organisation.

Business courses

Practical Negotiation Skills. Upper Woburn Place, London, W.C.1. The Study Centre, Huntingdon, Cambridgeshire. February 5-8. Fee: £360 plus VAT. Details from the Institute of Personnel Management, Central House, Management, Central House, Upper Woburn Place, London, W.C.1.

Current Practices in the European Market. Portman Hotel, London. February 16-17. Fee: £525. Details from AMR International, 6-10, Frederick Close, Stanhope Place, London, W.2.

Financial Control of Research and Development. University of Bradford, Yorkshire. February 21-24. Fee: £125. Details from The Management Centre, Heaton Mount, Keighley Road, Bradford, West Yorkshire.

Developing Computerised Financial Reporting Systems. Royal Garden Hotel, London. February 13-15. Fee: £325. Details from AMR International, 6-10, Frederick Close, Stanhope Place, London, W.2.

New Techniques for Decision Making. Brunel University, Uxbridge. February 6-7. Fee: £150. Details from Management Programme, Brunel University, Uxbridge, Middlesex.

The Secretary's Role in Management. Eccleston Hotel, London. February 28-March 2. Fee: £90 plus VAT. Details from PMG Executive Training and Development, 207, Victoria Street, London, S.W.1.

New Issue December 1977 This announcement appears as a matter of record only:

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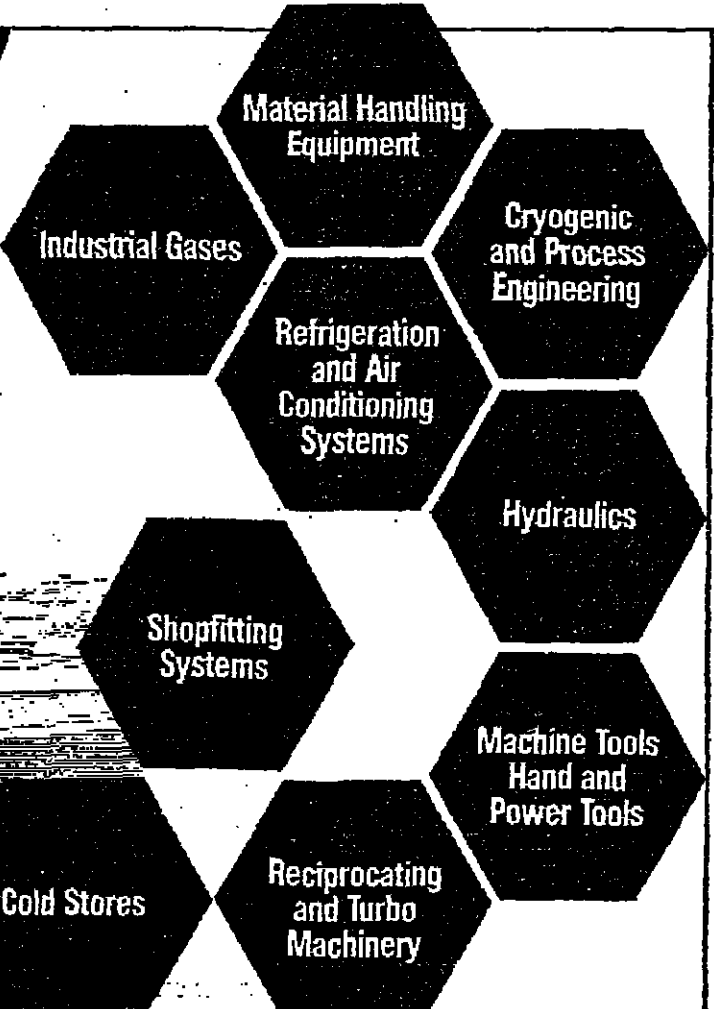
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British Museum

The joys of nature

by DENYSSUTTON, Editor of Apollo

The development of landscape painting in the 18th century is so often associated with the British School — it is considered one of our strongest claims to fame — that it is almost surprising to find that the French landscape painter, Jean-Baptiste Camille Corot, is not more widely known. This exhibition, which has been arranged by the French authorities, is exclusively drawn from sources in France.

A survey of this type could hardly fail to be fascinating, though, as is often the case with such a large and important exhibition, it is not quite the quality of the items that is the main attraction. One problem that has arisen in recent years, now that the scholar has so firmly ousted the aesthete (though the two can be combined), is that exhibitions are apt to be designed as a lecture or a series of lectures.

This is not to deny the pleasure afforded by the exhibition, and one of our most astute historians of the French 18th century, Dr. Anita Brookner, has even allowed the words "light" "flowery" and "delicate" to come from her pen when writing about it in the *Times Literary Supplement*. However, why she should claim that these adjectives have given the Rococo a bad name is a shade obscure.

Not all admirers of French art of this period have abandoned their old love — the Rococo taste, as it were — and indeed many even prefer it to the more serious and didactic work done at the end of the century, that is now a la mode.

One of the principal aims of the exhibition has been to introduce a number of less familiar artists to the public, and to some extent this has been done, at the expense of a more generous representation of the famous masters. Of all French land-

scapists of his age Fragonard remains the most poetic and enchanting; his red chalk drawings present an idyllic vision that can still be experienced in Rome.

The organisers have included one of Fragonard's most beautiful drawings, the *Avenue*, which was probably executed in one of the country houses of his friend, Bergeat de Grandcourt, and is of a type, with its use of brown wash, that looks back to the Dutch landscapists of the previous century and ahead to certain paintings by Theodore Rousseau.

Fragonard in many ways remains a puzzling artist. It is curious — indeed almost paradoxical — that a painter who usually employed such effervescent touches in his subject paintings should often have used a darker and even duller manner in his landscapes proper. He was a man of different moods.

Robert, too, is not shown quite fully enough, and the opportunity has been missed to provide some idea of the development of an intriguing artist with a love of exotic motifs. The inclusion of two rapid pen drawings shows that he could command a vivacity of expression that was akin to Guardi's. He was as happy in a country house in Touraine as he was in Rome. He was a prey to nostalgia, but not to such an extent that he neglected the pleasure of sketching the enchanting picture hats of two ladies who are depicted drawing Roman ruins.

The exhibition has much to offer the connoisseur, as it includes works by such little-known men as Amanat and Savoy, whose drawings could be confused with those by more important artists. It is more interesting to see the landscapes of Mariette, Portail, Perignon (blessed name for those who reverse the Dom) and Boud.

The show is presented in

chronological order, so that we may observe not only the sequence of events but the emergence of differing visions. Patel offers us Arcadian dreams, Desportes realism, Oudry is one of the most underestimated artists of his time: he had a fine sense of quality and more variety than is often realised, as is shown by his oil sketches. On this occasion, he is represented by a vigorous hunting scene and one of his romantic views of the park at Arcueil, then the property of the Prince de Guise. The catalogue reminds us that, though the drawings were done without figures, during the nineteenth century "some passed through the hands of a dealer who sought to enliven them by adding figures in the costumes of the period." The catalogue, due to Roseline Bacou, Lise Ducas and J. E. Mejean, is an admirable production.

None of the early items has the style of Watteau's red chalk drawing, *The Finding of Moses*, in which his love of the Venetians, in this case Veronese, is blended with an evocation of the Ile de France. This drawing provides a delectable example of the way in which an artist can transpose memories of places and works of art into a creation that has its own quality, a process followed by Proust in his celebrated novel.

Boucher is not as well represented as he deserves, although the powerful drawing of *The Courtyard of a Country House* is on view. The note on his work may contain the reason for this neglect: it says that "His paintings of landscape tend to be conventionalised and decorative, but in his drawings there is a sober and at the same time sensitive realism and truth to nature."

Why should a painter not provide a decorative view of nature? Could he not be argued that in fact Boucher transposes his observation of

nature into magical capricci? There are more affinities between Boucher and the late paintings of Cezanne than are realised. Truth to nature has its place, but so does romanticism. Happily the exhibition includes one of the most evocative drawings of the period — Gabriel de Saint-Aubin's *The Walk on the Boulevard*. This is really too prosaic a title: it should be called *"Lovers in Flight"* for I always like to imagine that some good-natured Valmont is making off with his prize.

Two of the most unusual drawings in the exhibition are Lespinasse's panoramic views of Paris, looking north and south respectively, and it is amusing to find that both were included in the *Revue de la Bretagne* exhibition held at the Musée Carnavalet in 1934. Retif de la Bretonne, a strange and intriguing character, was essentially a night bird; these views are of the city that became his hunting-ground for those curious explorations into the quirks of human nature.

Italy played a large part in the artistic education of French artists and the show closes with a selection of works by Valenciennes, some of whose studies recall those of Thomas Jones, and items by Granet and Michallon. Their presence in the exhibition helps to explain the artistic background of Corot.

The exhibition affords a considerable contribution to knowledge about the French response to nature in the eighteenth century and one's only regret is that it lacks a section devoted to the art of the garden. The recent exhibition at the Hotel de Sully was a revelation in this respect, and without a proper recognition of the part played by the garden during the ancient regime, any interpretation of the "French response to the 'Joys of Nature'" remains a shade limited.



Hubert Robert: Architectural Capriccio of Roman Buildings

Covent Garden

Alfredo Kraus

by RONALD CRICHTON

The Royal Opera's latest Sunday songbird is Alfredo Kraus, the tenor from Las Palmas — a canary who has brought distinction to the world of international opera these past 10 years without losing the gleam in his voice or his debonair manner. Mr. Kraus is the rarest we have today, the more di grazia typified earlier in the century by Tito Schipa. An Italian Schipa, perhaps, the sound is not so ambrosial or so ne-spun, but there is the same feeling of absolute separation from baritone range and colour.

Mr. Kraus showed traces of a wild on Sunday. At the beginning of each part of his recital some war notes went dry and husky, but at the end of the first act, the gleam came soon, in a set in the second of the opening group of *aria antica*. "Tre torni son che Nina," now retributed from Pergolesi to Lampi (Poor Pergolesi, from whom musicians take his best line). This group was diversified by two Alessandro Scarlatti arias from what sound in spite of their titles to have been comic operas — one of them *Pompeo*, the other possibly *Elvira Cantorio*, now lost.

Two numbers by the once popular, now underrated song-writer Tosti, "Vorrei morire" and "Aprile," showed that Mr. Kraus has the right way with these fragile, pretty, elusive things which turn some gifted singers clumsy. A Tosti record from this singer exploring fur-

ther than the usual handful would be welcome. So indeed, to judge from Sunday, would some Rossini from the later, not really so lazy years in Paris. "L'esule" has a line of Bellinian subtlety with Schnorrerian dips into the major. Mr. Kraus even paid the familiar "La danza" the compliment of taking it at a sensible, moderate speed.

After the interval, France and Spain. Operatic tenors don't invariably de-ruralise what they sing, but Mr. Kraus achieved this with Massenet's "Elegi," whose songs, even when they are on a higher level than this mawkish example, are less rewarding than those of his predecessor Gounod or his pupil Hahn. The Spanish group, including a miniature trilogy about bread, cheese and wine in *La Mancha*, and all by Salvador Ruiz-de-Luna, went superbly over some well-trodden ground. The excellent accompanist, Miguel Zanetti, was especially effective here.

This group was diversified by two Alessandro Scarlatti arias from what sound in spite of their titles to have been comic operas — one of them *Pompeo*, the other possibly *Elvira Cantorio*, now lost.

Wigmore Hall

Vidom Trio

The Vidom Trio, originally founded in the USSR ten years ago, now consists of musicians who have emigrated to Israel. Their violinist, Dora Schatzberg, won the 1976 Carl Flesch competition in London. Sunday afternoon's concert was a foretaste of the flood of Schubert about to engulf us in the coming year — a good way of drying, though we may be reminded more often than is comfortable that Schubert is an uncommonly difficult composer to do well.

The programme brought us the two great trios in E flat (op.100) and B-flat (op.99); since they are likely, one hopes, to be heard often in the near future, this may be the moment to say that together they don't make a very good scheme, any more than do good main courses and nothing else make a satisfactory menu. The playing was good enough to make one indulgent about programme planning but not so good as to make one altogether forget such matters.

These are musicians of solid

Both as a duet partner, and it for us hear his incisive and crisp tenor voice at full stretch. The nine instrumentalists were discrete accompanists, on the whole, though they were allowed to display their strength in *La Spagnola* and an arrangement of Dufay's "Se la face ay pale." The most subtle playing of the evening, however, came in David Robson's quietly sensitive accounts of several motets in their arrangements for organ. From the Buxtehude organ book. The comprehensive and informative programme book even contained manuscript reproductions of a couple of the pieces, which nicely supplied just a touch of that period sense one misses so badly in concerts such as this.

NICHOLAS KENTON

First London performance

The first London performance of the Requiem by Geoffrey Burgon will be given in Westminster Cathedral on Tuesday, January 24, at 8.00 p.m. by the London Bach Society with Paul Skelton as conductor. The programme will also include Bach's *Christmas Nos. 58, 121 and 128*.

New York theatre

Games people play by FRANK LIPSINS

A friend of mine once jokingly proposed writing on card playing in American drama, from *A Streetcar Named Desire* to the expository scenes in myriad Westerns. Though my friend intended to ridicule the trivia that become American university doctoral dissertations, had he pursued his joke a little more conscientiously, he might have written *The Gin Game*, instead of leaving the kudos and success to D. L. Coburn, whose first play by that name now appears on Broadway, directed by Mike Nichols and starring Jessica Tandy and Hume Cronyn.

While the pair would be considered the quintessential American card game, gin rummy better suits the nursing-home setting of *The Gin Game*, where the two old people meet on the porch over a rickety card table. The themes are all there: old people abandoned to indifference and entertaining themselves, the pride of winning and humiliation of losing (regardless of the role of chance in the outcome), the wealth of information even trivial events reveal about people. Old folks' habits are a source of amusement, as when Hume Cronyn taps his foot and calls out the cards as he deals.

He shows great pride in his skill and Jessica Tandy acts the ingenuite in deference to the man's natural role of authority, though she hardly ever loses a game. Her winning streak provides the conflict in a well-constructed plot that follows the rhythm of the game while wandering through each player's life, the circumstances that led him to this porch to end his days and the exaggerated importance a gin game holds for people with very little else to do. The man's exasperation at losing contrasts with the woman's cool self-assurance. When he finally wins a game, his confidence is so low that he accuses her of purposely losing.

Cronyn masterfully leads his character down the road from bravado to humiliation without ever fully abandoning his dignity. Less is demanded of Miss Tandy, for it is her stoicism and coldness that elicit her companion's strong reactions. A delicate reconciliation is wrecked when he accuses her of having no leniency; her merciless iron will must have alienated her whole family and, he guesses, the son she says lives far away in Denver. He says he lives right in town. He just has no love for a mother without affection. By now, towards the end of the play, far too much significance must be borne by the flimsy chance of who wins the card game, though the significance of the game, these old people and the depth of emotion aroused through the



Hume Cronyn and Jessica Tandy in D. L. Coburn's two-character play 'The Gin Game'

game all work in context, thanks to exceptional directing and acting in an unusually strong two-man play.

The clever premise of Judith A. Ross's *An Almost Perfect Person* gives great scope to Colleen Dewhurst to show off her formidable acting talents, but the play itself, following the abortive political career of a woman standing for elective office in New York City, becomes an uninspired menage a trois when her campaign manager and chief fund raiser both decide to console her in bed. The first scene, a final campaign speech, develops into humorous confusion when, in the American style, official returns are announced by precinct, leaving the result as a seesaw ride for the candidates.

Zoe Caldwell, directing the play, manages the exuberance generated by the election, as well as the bitter-sweet outcome. Miss Dewhurst listens to her manager's bourgeois self-esteem during moments of apparent victory and absorbs considerable abuse mixed with sympathy with the final result. It is hard to imagine just how to sustain the excitement and cleverness of the initial scenes of the play, but a more ambitious attempt to portray the strength of this unusual woman, even if it failed, would have been better than a limp recognition that women are as much entitled to lovers as men.

The Lion Theatre company, while awaiting new plays, has mounting plays in the former

Westside Airlines Terminal, an unlikely but well adapted venue in 42nd Street. Their latest production, *K*, compiled from a variety of Kafka's works and directed by Garland Wright, conveys the atmosphere of the brilliant Fritz Lang films, like *The Trial*, which is not only to period but also to the limitation of film technique in a series of quick scenes in the beginning of the play. In them, the silent Josef K. observes people who will return during his trial, which takes up the major portion of the play. Each of these early scenes sets up a confrontation that will emerge later, some are done twice, as though being inculcated over in K's mind. Each is well done but, there are too many of them, all before any explanation comes, and each affords little movement, showing usually one actor and one observer.

At times mannered but also at times elegant, the production takes a potpourri of Kafka's writing and unites it with the trial and its underlying theme that K is a man under arrest. He can do whatever he used to do as a free man, though now he must recognise he is always under observation, a state that in itself steals a man's freedom.

Another production based on a famous man's writings is undertaken at the Public Theatre with Martin Buber's *Tales of the Hasidim*, as done by the Second City theatre troupe. The Second City spawned a generation of notable entertainers, including Alan Arkin, Mike Nichols, Elaine May, Shelley Berman and the young playwright David Mamet. *Tales of the Hasidim* gives no evidence that the tradition carries on. Improvisations were the company's stock in trade; this rehearsed production draws on the informality of the improvisation inspired, with actors looking on stage and speaking directly to the audience. But the scenes have little discernible point. They seem somewhat tedious and full on their own delivered in sing-songy Yiddish accents.

The second act, with new improvisations and repeats of successful old ones, does much better at drawing in the audience and taking advantage of the informal setting. The quality of improvisation always depends on the usefulness and appeal of the phrases and endings the audience throws at the actors. The lines were not great, but it is always fun to watch actors thinking on their feet. A feat the company performs with considerable aplomb.

Dame Edna Everage walked into New York with a hilarious performance by Barry Humphries in his *tour de force*, *Housewife! Superstar!* The Dame had the audience practically rolling on the floor of Theatre Four, a small off-Broadway house which was the launching pad for a national tour. The rudeness and rough edges of Humphries' performance are not the usual fare of New York theatre, making him all the more welcome and appreciated.

ENTERTAINMENT GUIDE

C.C.—These theatres accept certain credit cards by telephone or at the box office

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COLESIUM. Credit cards 01-240 5258. Entertainment 2161. Tonight 7.30. *La Traviata*. Tomorrow 8.00. *La Traviata*. Wednesday 8.00. *La Traviata*. Thursday 8.00. *La Traviata*. Friday 8.00. *La Traviata*. Saturday 8.00. *La Traviata*. Sunday 8.00. *La Traviata*.

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FINANCIAL TIMES

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Tuesday January 10 1978

Rocking the Irish boat

WHEN MR. JACK LYNCH, the Prime Minister of Ireland, visited Downing Street for talks with Mr. James Callaghan last September, he is said to have sought an assurance that the Republic would be somehow involved in any eventual settlement of the Ulster question. Indeed it is Mr. Lynch's own belief that the assurance was given. He was therefore surprised to find that the Queen's Speech in November contained only a reference to co-operation between Britain and Ireland on "matters of security."

Direct Rule

To that extent, but to that extent only, Mr. Lynch is entitled to claim that he has been let down by the British Government. But there can be no excuse whatsoever for the rest of his remarks on Irish Radio last weekend, nor even for the manner of his statement on Irish unity, the more so as he is a skilled enough politician to have carefully ducked the questions asked.

Mr. Lynch made three main points: that some sort of amnesty could be considered once the violence in Ulster is ended; that the British Government should announce its intention eventually to withdraw, and should begin to show an interest in bringing the Irish people together. All of these remarks are ill-timed; they also show disturbingly little appreciation of the present situation. It is premature to talk of an amnesty even with the violence reduced to its present level. (As a matter of fact, it actually flared up again in the New Year period.)

It is also curious to demand a British withdrawal without acknowledging that an announcement of some small force reductions took place last month and that the British Government clearly hopes that further reductions can be made in the course of this year. Not least, there is the degree of tactlessness in stressing Irish unity at a time given an opportunity to blame when Mr. Roy Mason, the Northern Ireland Secretary, is Unionists the negotiations can engaged in talks on the political hardly go on.

Price progress consolidated

THE MONTHLY arrival of Christmas has yet to appear; favourable price indicators has and the influence of these lower progressed from being a well-input costs on output prices has come novelty to being a hardly begun to show yet, and reassuring routine, and the fact will not be fully apparent for that the trend is further several months. Though the firm-to-day in the new figures underlining rate may be some for wholesale output and what above the 10 per cent. rate material prices will occasion no suggested by the half-year surprise. It will be more than figures at the moment, it can be a pity, however, if this means expected to fall significantly below that level by mid-year.

Expectations While expectations are inherently difficult to measure, there are some disturbing signs that some unions — and worse, a considerable number of employers — have not yet appreciated how fast inflation is abating. Some wage claims and recent indices of price and cost expectations still seem to reflect the inflationary experience of several months ago, though the reported level of actual settlements in the private sector no longer seems to be threatening to raise the average increase in earnings as far as the 15 per cent. which has ruled as a general guess.

Measures of fall It is as yet a little early to judge the underlying rate of price increases which has emerged since inflation reached a secondary peak in the summer. At the wholesale level the year-on-year rise of 15½ per cent. still substantially overstates the going rate, and it should fall sharply in each of the next two months. Last year January was chosen as the date for a general revision of price lists, and output values rose by 31 per cent. in a single month; this year the signs are that revisions are less general as well as being smaller in scale, and the annual rate should begin to appear consistent with the achievement of single-figure inflation before too long. On the other hand, the January round is likely to prove a rise somewhat larger than the average of less than 1 of a point in the last two months, and the five per cent. rise in the last half-year probably understates the current underlying rate.

The important point, however, is that the underlying rate itself is still falling. The index for the cost of fuels and materials has now fallen by nearly 1½ per cent. since the pound was floated at the beginning of November, and the effect of its further rise since

Warning signals on competitiveness

By PETER RIDDELL, Economics Correspondent

THE COMPETITIVE position of Britain's exports is again causing serious concern to industry and in Whitehall—less than two years after the large drop in the external value of the pound in 1976 and just as the current account moves into surplus. The question has hardly been affected by last week's central bank intervention in support of the dollar and the resulting fall in sterling.

The pound may, for the moment, have been halted below the \$2 mark. But many observers and foreign exchange dealers believe the respite for the dollar could be only temporary. Moreover, all that has been lost so far is a couple of days rise in sterling and the current rate still represents a 31 per cent. appreciation against the dollar since the low point in October 1976, and a 14 per cent. increase compared with a trade-weighted basket of 20 other currencies.

Conflicting objectives

Consequently, the basic policy dilemma remains for the Government of how to reconcile the often conflicting objectives of maintaining export competitiveness, of controlling the money supply and of trying to keep the exchange rate fairly stable. This has become the subject of intense discussion among economists and indeed exchange rate policy lies at the heart of the debate about how the opportunity presented by North Sea oil should be used. The spectrum of views ranges from those favouring a sizeable depreciation, even below the October 1976 low point, to others who welcome an appreciation.

The starting point is to find out what has happened to competitiveness and then to decide how much this matters. This runs into the immediate snag that no single indicator provides a completely adequate measure of competitiveness. The accompanying table includes the main indices used by the Government, including previously unpublished figures made available by the research department of the International Monetary Fund.

One problem, for example, about the widely-used indicator of relative export prices is that a lot of market competition turns on the ability to sell at a given price, or not at all. Thus the relative export price indicator is really one of successful quotations, not of all export prices. The other indices also have drawbacks in that like is not always compared with like in similar markets, so there is a growing tendency to place emphasis on costs as much as prices.

The best available cost evidence is provided by the IMF index of relative normal unit labour costs. This is defined as all labour costs, including social security payments as well as wages adjusted to take account of cyclical variations in productivity and overtime. This tends to exaggerate the impact of changes in sterling, since relative non-labour costs are less affected by changes in the exchange rate. But the index is still the most suitable proxy for total costs.

The broad message of the table is that the lower the index number, the greater the competitiveness of U.K. exports. In the first quarter of 1976, the official view is that the competitive position was weak according to any of the measures. The subsequent sharp drop in sterling—17 per cent. against the trade-weighted index between the first and fourth quarters of 1976—produced an immediate improvement all round.

But some of the gains of 1976 were eroded fairly rapidly last year when the pound appreciated. Although the official figures only go up to the end of the third quarter, it is clear that the indicator of relative export prices is now less favourable than before the drop in sterling two years ago. It is roughly the same story for relative import prices. This is also more or less in line with the experience of other countries and of the U.K. after the 1967 devaluation. Thus it does not seem possible to gain a significant competitive advantage in terms of relative export prices for longer than a fairly short time.

Profitability and costs

This does not necessarily mean that devaluation is unimportant for competitiveness, merely that it works in a different way. A National Economic Development Office study last year said it was clear that "the main advantage accruing to the firm in a devaluing country is the possibility of earning greater profits than its foreign rivals as its costs are reduced in foreign currency terms."

The fall in sterling during 1976 certainly made a major impact on relative costs, and hence on profitability. The relative labour cost index fell more or less in line with the exchange rate. Although some of the advantage was eroded last year when the pound rose, labour costs were not increasing much faster than overseas because of the success of Phase Two of the pay policy. The relative labour cost index is probably still a tenth lower than in the first quarter of 1976, so the U.K. has

retained much of its competitive advantage on this measure, at least in 1977 position.

The implication of these indices is that there has been an improvement since early 1976 in U.K. export profit margins compared both with other countries and with home sales. What seems to have happened in the past two years is that exporters took the advantage of the fall in sterling primarily in terms of profits. This probably reflected both a scepticism about the extent of any long-term volume gains from cutting prices and a desire to re-build profits when rates of return generally were low, and the domestic market was sluggish.

But the improvement in relative profitability in the past two years should not be exaggerated, since the position in the first quarter of 1976 was undoubtedly unsatisfactory. So the change may only have created an adequate level of export profits rather than a margin of fat which can now be skimmed down.

It is a matter of dispute how long the relative cost and profit advantage can be maintained. The view held by some

The existence of an incomes policy until 1969-70 distorts the analysis; it could be argued that the deterioration in relative unit labour costs was merely deferred for a year or two by wage controls. On this view, a fall in the exchange rate is now, as it was then, fully reflected in domestic costs and prices as wage earners respond to the increase in the price of imported goods. It appears to be the case that in countries where there is indexation of wages, such as Italy and the Netherlands, any relative labour cost advantage from a devaluation is short-lived.

All this highlights the difficulty of interpreting the various competitiveness indicators. The best conclusion seems to be that all the relative price advantage secured in 1976 has been eroded but there is still some cost and profit advantage left. However even this is likely to be eroded in part if there is further significant appreciation in sterling or, of course, if the rate of increase in earnings accelerates in the next few months.

The response to this trend to that in the rest of the industrialised world. They main-

MEASURES OF BRITISH COMPETITIVENESS

	Relative export prices*	Import price competitiveness†	Relative wholesale prices‡	Relative normal unit labour costs§	Relative profitability of exports¶
1970	100.0	100.0	100.0	100.0	100.0
1971	102.2	104.2	104.9	103.1	104.6
1972	102.6	104.8	105.5	100.8	105.6
1973	94.1	98.5	90.8	91.8	101.9
1974	93.1	103.6	90.2	97.9	101.2
1975	96.5	103.7	95.5	99.2	101.1
1976 1st qtr.	95.2	100.8	99.0	99.0	101.2
2nd qtr.	94.4	95.1	91.4	91.8	97.9
3rd qtr.	95.0	93.7	90.2	90.1	96.2
4th qtr.	90.4	90.9	85.8	82.4	95.1
1977 1st qtr.	95.5	96.4	92.1	85.1	95.6
2nd qtr.	97.4	98.3	93.7	85.2	97.3
3rd qtr.	99.0	101.1	95.6	86.4	97.8

* Unit value of U.K. exports of manufactures divided by a weighted average of the unit values of competitors' exports of manufactures, both expressed in a common currency. Figures for the second and third quarters of 1977 are Treasury estimates. † Index of U.K. wholesale output prices of manufactures other than food, drink or tobacco, divided by the unit value of imports of finished manufactures, both expressed in a common currency. Figures for the second and third quarters of 1977 are Treasury estimates. ‡ Index of U.K. wholesale output prices of manufactures, both expressed in a common currency. Figures for the third quarter of 1977 are Treasury estimates. § U.K. normal unit labour costs per unit of output divided by a weighted average of competitors' normal unit labour costs, both series being expressed in a common currency and adjusted for variations in productivity about long-term trends. The series is calculated and made available by the Research Department of the IMF. The figure for the third quarter of 1977 is a Treasury estimate. ¶ Index of U.K. wholesale output prices of manufactures other than food divided by the unit value of U.K. exports of manufactures.

Source: Monthly Review of External Trade and IMF.

MEN AND MATTERS

That winning bedside manner

he gets from British embassies in such places as Riyadh and Tehran.

"There's one big mistake," said Dr. Michael Sinclair, pointing to a long, adulatory newspaper story about Allied Investments' £250m. hospital deal in Saudi Arabia. "It fails to mention the man who landed us the contract."

Sinclair says it was neither he nor Sir Richard Marsh, his chairman, but Bryan McSwiney, former chief administrator of the St. Thomas's Hospital Group in London, whom he had lured into Allied Investments as director of overseas health services.

McSwiney has been the "magnet" the name on the Allied recruitment ads which enticed his other executives from secure National Health Service posts. McSwiney, who also spent the past eight months almost entirely in Saudi Arabia, negotiating the contract for two military hospitals.

Sinclair himself is a former psychiatrist, still in his mid-30s, who in 1971 turned entrepreneur in medical services for more excitement. He built up the British Nursing Agency and its "flying bedpan" private nursing service, then Champneys, the much-publicised health farm near Tring, before launching Allied only two years ago.

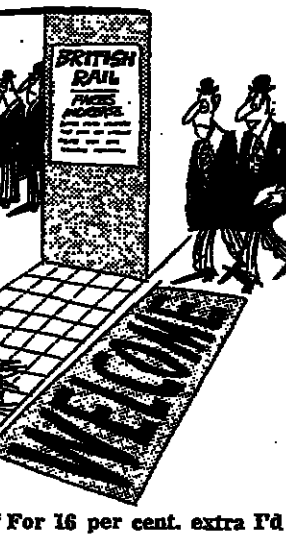
Art hopefuls

To-morrow will be tense for candidates on the short list for what may be regarded as the most influential job in Britain's art world. An interviewing panel appointed by the Arts Council will be seeking the successor to Robin Campbell, who retires as the Council's director of art on March 31. Whoever follows him will have a budget of more than £2m. at their disposal for grants, bursaries and support to municipal galleries—as well as controlling the Hayward and Serpentine galleries in London.

The list of candidates for the £11,000-a-year post is a close secret, but a front-runner is reported to be Joanna Drew, now Campbell's immediate deputy as director of exhibitions. Another name being put about is that of Alan Bowness, director of the Courtauld Institute, but when I asked him he replied: "Oh no, I'm one of the interviewers." A factor that may have weighed with some potential candidates is that Sir Norman Reid, director of the Tate Gallery since 1964, is expected to retire before long—thus offering the possibility of another highly regarded administrative post. It would be somewhat unseemly to win the Arts Council prize, then soon afterwards make a play for the Tate.

Irish brew

The row over Irish Premier Jack Lynch's views on Ulster is not the only indiscretion his government is currently being accused of. Dublin's Industry Foreign Office, Desmond O'Malley, has Office "think tank" would blush just introduced what many to hear him praising the help regard as a dangerous "kiss and



"For 16 per cent. extra I'd like Peter Parker rolling out a red carpet!"

berating him for making some spicy information available to them.

Flights of fancy

If you were to be overcharged on an air ticket you bought in Paris, then British Airways gallantly gave you a refund in London in sterling, at what rate would you expect those extra francs to be converted? Simple folk might look in their FT for the going rate, which now stands at just over nine francs to the pound. In fact, BA would reimburse you at 13.388 to the pound, leaving you much worse off—not to mention baffled and irate.

This shock has recently been administered to an international company director: although the £55 he reckons to have lost on the deal is small when set against his first-class ticket around the world, he discerns a principle at stake. He was even another ticket from London to Nice to find that this represented a conversion at 10.05 francs to the pound. Clearly believing this column to be omniscient, he telephoned me and demanded an explanation.

Ever willing, I called the LATA office in Geneva, where a spokesman replied: "You've opened a real can of worms here." It seems that ever since the currency upheavals of 1973, and the fall in sterling, airlines have clung to the exchange rates operating then. But the old rates are obscured by what are cryptically called "currency adjustment factors." LATA has tried to persuade the airlines to calculate in Special Drawing Rights, with a total lack of success.

Observer

The Royal Navy Their disabled
The Merchant Navy Their pensioners
The Royal Marines Their widows
Our Fishermen Their children

King George's Fund for Sailors looks after them all

In this Country of ours, there is no-one who is not connected with the sea.

Half the food we eat comes from across the sea. Many thousands of us, our relatives or friends are past or present members of one of the sea-faring services, or of an industry dependent on them.

There are many charities for seafarers and their families. One, only one, however, is the central charity, charged with collecting and providing funds for all other seafarers' charities, and with making sure that the money is distributed where it can be of most use.

That central charity is King George's Fund for Sailors. Launched in 1917 at His Majesty's personal wish, KGFS distributes funds without distinction of service, of rank or of creed. The sole criterion is to distribute the money to the areas of greatest need.

When you want to remember our seafarers who are in need, remember King George's Fund for Sailors. We'll see to it that not one penny of your money goes to waste.

Please send your donation to:-

KGFS

King George's Fund for Sailors
1 Chesham St., London SW1X

THE FUND FOR CHARITIES THAT SUPPORT SEAFARERS IN NEED AND THEIR FA

A matter of judgment

THE POTENTIAL for harm of what Judge Neil McKinnon, QC, said in the Central Criminal Court on Friday is best understood by contrasting his words with those of Lord (then Mr.) Justice Salmon in the same court nearly 20 years ago.

In a famous case then the accused were nine youths aged between 17 and 20. They had toured the streets between Shepherd's Bush and Notting Hill on a "nigger hunting" expedition. Five black men were attacked with iron bars, table legs, and other weapons. Three were seriously injured. A series of clashes between blacks and whites followed. At their trial all nine youths pleaded guilty. Passing sentence on September 15, 1958, Lord Salmon said:

"It was you men who started the whole of this violence in the Notting Hill. You are a minute and insignificant section of the population who have brought shame upon the district in which you lived, and have filled the whole nation with horror, indignation, and disgust."

"Everyone, irrespective of the colour of their skin, is entitled to walk through our streets in peace, with their heads erect, and free from fear. That is a right which these courts will always unfailingly uphold."

"As far as the law is concerned you are entitled to think what you like, however foul your thoughts; to feel what you like, however brutal and debased your emotions; to say what you like, providing you do not infringe the rights of others."

Whereupon he passed a sen-

tence that he frankly admitted was intended to act as a deterrent, and the widespread reaction to "four years" soon indicated that it would be.

Notting Hill was at peace for many years after that. We now turn to Judge McKinnon. The essence of the case put by the prosecution was that Mr. John Kingsley Read had told a political meeting in June, 1976, that he could not refer to coloured immigrants — I intended any offence and if so he would call them "niggers, wogs and coons." In his speech Mr. Read had referred to the murder of an Asian youth at Southall, Middlesex, in what the prosecution described as tones of mock sorrow and had added, "one down, a million to go."

The judge might have remarked in his summing-up that such comments were undesirable ("to think what you like, however foul your thoughts") but that in his view it was not unlawful to utter like "nigger" can be damaging, them ("to say what you like, however brutal and debased your emotions") even under the Race Relations Act. Had he done so coldly, and with clear distaste for what Mr. Read had said, he might now be in a position to defend his words on the grounds that he had done no more than uphold the freedom of speech in an admittedly difficult case.

After all, Mr. Read was charged with using words that might incite violence; he was not in the dock for actual crimes of violence such as were committed by the Notting Hill youths 20 years previously. Lord Salmon was passing sentence; Judge McKinnon was summing up in a case in which the jury eventually acquitted the defendants.

But Judge McKinnon did not restrict himself to the heart of the matter. He may see himself as simply a proponent of pure liberalism, but his summing up not spoken at all in such a vein. There is yet more. "The fact is," Judge McKinnon said, "a large number of our forebears went abroad. They took their families, they made their homes in the West Indies, Jamaica, Bermuda, Guyana, and they worked with the local indigenous coloured population. Such was the affection engendered by those of our forebears in the local indigenous population, in the West Indies, Jamaica, Bermuda, Guyana, and many other parts of the world, that no sooner did the white man grant independence and freedom to govern themselves than the black man wanted to follow the white man to England."

Damaging

The content of this story is merely idiosyncratic; its potential harm is in its suggestion to the world at large, that a well-known judge does not think very much of the proposition that the use of derogatory terms like "nigger" can be damaging. Those of whom such terms are used could contradict him easily enough; at the least the fault with which Judge McKinnon must be charged on this part of summing-up is ignorance of the fears of racial groups in certain parts of some British cities.

But there was more to come. He recalled the nursery rhymes "Ten Little Nigger Boys" and "Catch a Nigger by his toe" and wondered aloud about them. The Americans have learned at great cost to themselves that sticks and stones break our bones, and some names always hurt people. Living in the present century the judge should know. This does not mean that the use of such words is necessarily illegal; it is simply that he would have served his multi-racial country better if he had

wish you well!" Injudicious remarks of this kind constitute more than protection of the freedom of speech. They can all too easily be interpreted as some kind of official acquiescence in the views that were propagated.

It does not necessarily follow from this that any steps need be taken to overturn the decision in the McKinnon court. It all depends. The Attorney General and the Solicitor General will read the full transcript of the case and make up their own minds about whether the papers should be sent to the Court of Appeal, which would then make up its own mind about whether to give a ruling about how the law should be interpreted next time such a case comes up. (There is no question of reversing the acquittal of Mr. Read.) In this purely judicial process the complete text is what counts, and outsiders must suspend judgment while that is scrutinised.

When it comes to the social effect of the judge's remarks as reported, we already have the evidence. The choice of words by Lord Salmon 20 years ago was plainly designed to set out the boundary between freedom of thought and speech, and the necessary protection of racial minorities from violent assaults. It did not shrink from expressing an adverse opinion of racism.

Judge McKinnon is already being interpreted in private conversations as having, shall we say, omitted to express an adverse opinion of racism. A little more thought about the way in which such remarks are likely to be interpreted in a country in which around 4 per cent of the permanent population is composed of racial minorities might have led to a



Lord Justice Salmon

Judge McKinnon

different choice of words.

But then again it might not. Those of us who cry "woe" in matters of this kind should

hard to imagine the media in the U.S. making such hay of the phrase "wogs-niggers-and-coons" in phrase "wogs-niggers-and-coons".

The English seem to be particularly insensitive about such matters. The sheer funk of our leading politicians is likely to keep them so. When I say "sheer funk" I mean a complete inability to face the facts of the world as it is. The words are carefully chosen — for that alone, surely, the explanation of the failure of the most prominent front of that climate, it is the Notting Hill of the future that we must guard against. We are still sowing the seeds.

every field covered by Government activity, that would help to reduce racial disadvantage. This omission from our general political debate certainly helps to nurture a climate in which anti-black feeling could grow and become more overt. Never mind the passing case of Judge McKinnon: it is the social climate in which his case has arisen that is important. Because of the most prominent front of that climate, it is the Notting Hill of the future that we must guard against. We are still sowing the seeds.

Letters to the Editor

People can be paid

From the Chairman, Evans Steadman Communications Group.

Sir, — Mr. R. Telford, the managing director of GEC-Marconi Electronics, has in his review of the electronics industry in 1977 that there is a grave shortage of skilled people at all levels.

This shortage has been aggravated by the erosion of differentials and the attraction of the working overseas. But the electronics industry — and others facing the same problem — can pay whatever they want to without offending Government guidelines.

All a company need do is hire its people as consultants rather than, say, as engineers. Thus those who should be rewarded, can be. And at whatever rate GEC-Marconi seeks to introduce to attract the best men currently being lured elsewhere.

Moreover, present key employees can have the suggestion put to them that premature retirement, followed by a fat consultancy contract the next day, would be beneficial to everyone.

As Charles Kingsley put it, there's more than one way to kill a cat.

And the notion that each worker should automatically get the same as his neighbour must be killed — and as soon as possible.

Evans Steadman, 34-36, High Street, Saffron Walden, Essex.

British Rail's energy

From the Chairman, British Railways Board.

Sir, — A recent comment of mine on petrol tax has given rise to the belief, reflected in your correspondence, that I want massive increases in petrol tax to put more passengers on rail.

My regret at this interpretation is tempered by the wide publicity given to the fact that the real price of petrol has been allowed to fall in the U.K. since 1975.

In commenting on this, I was not advocating that petrol tax should go up overnight to restore the position. I was stressing the need to relate the price of petrol to an overall national energy policy.

As a national industry (and a relatively efficient user of energy in the transport field) we have no desire to see the nation's scarce resources squandered. As an operator in a very competitive transport market, we certainly do not wish to see the gap in costs between relative modes of transport being allowed to widen artificially.

This is not a road versus rail argument. It is a question of energy policy in the long term. We have confidence in our own contribution to an alleviation of the energy problem.

May I just add to Mr. B. Abell (December 21) that BR cannot retain any of the tax it pays on fuel oil used for locomotives. Peter Parker, 222 Marylebone Road, N.W.1.

One rate of inflation

From Mr. S. Penwill.

Sir, — Reference to my records show that in April, 1975, an annual season ticket on British Rail from my local station to London cost £85.

increase over approximately 2½ years of over 250 per cent, or about 45 per cent, somewhat in excess of the officially stated rate of inflation!

For this increase we get the following additional "amenities." Progressively opaque brown windows to alleviate glare of day-light and to preserve the privacy of the occupiers while inscribing their graffiti. Door to door carpeting (of cigarette ends, toffee and other papers etc). Less cluttering up of the permanent way with trains. Greater benefits from the attraction of the dry cleaning industry. Due to the dirt removed by passengers.

To think that we at one time used to make fun of Continental railways!

S. W. Penwill, 158, Finchchurch Street, E.C.3.

No case for a wealth tax

From Mr. R. Harris.

Sir, — I would suggest that the best approach to the problem of a wealth tax is to consider on what types of wealth it can and should be levied.

For practical taxation purposes there are four kinds of wealth: real estate, stocks and shares, movable goods or chattels such as cars, jewellery, and old masters, and pension rights. The first two are the most obvious, while the less bulky types of chattel are so easy to hide that the only effective way to tax them is through VAT. We already have a higher rate of VAT on some durable goods, as well as a motor tax on cars, so there is no reason why durable goods in general should not pay a higher rate of VAT than perishable goods which cannot be used as a medium of investment.

Stocks and shares are already heavily taxed through income tax, investment income surcharge, corporation tax, capital gains tax, capital transfer tax, and stamp duty, so there is no case for taxing them further. There is a good case for a moderate wealth tax to replace the investment income surcharge, capital transfer tax and stamp duty, but that does not appear to be what the present Government has in mind.

The same considerations apply to real estate where it is rented, which leaves owner-occupied property. The obvious way to tax this is through the re-introduction of the old Schedule "A" income tax where its absence amounts to a bigger subsidy to the owner than the effective subsidy received by the average council tenant. Just where the exemption limit should be fixed is obviously open to argument, but I would suggest exempting property with a net rateable value of less than £1,000 in inner London, £750 in outer London and the larger provincial cities and £500 in the rest of the country.

If this was done there would be no case for a general wealth tax in present circumstances.

Richard Harris, Flat 8, 119, Haverstock Hill, N.W.3.

Workers in the boardroom

From the General Secretary, Telephone Contractors Association.

Sir, — I refer to the article headed "Putting workers to the Boardroom" of January 6. This profession (banking), we could contain a statement that my not have coped with the tremendous expansion of business in the last fifteen years without their aid.

Anyone with more than a few years' service in banking will

wednesday's Press conference, I would have been most happy to have acquainted him with the facts. Quite simply, the TCOA is just as interested in the industrial democracy experiment being conducted within the Post Office as the largest unions and has actively sought, and secured, the fullest possible participation. D. L. Edwards, 15, Cranford Road, Tombridge, Kent.

Guidelines on accountancy

From the Chief Technical Officer, The Institute of Cost and Management Accountants.

Sir, — Mr. Parkin (January 5) has confused the inflation adjustment dealing with cost of sales and the profit and loss account with the adjustment which would be required to bring the balance sheet up to modern values. When adopting the averaging method suggested by the Hyde Committee, it is the average value of materials used throughout the year that we are looking for. Not the value at the year-end.

Using Mr. Parkin's figures, the cost of sales adjustment becomes a charge of £30,000, not £210,000 as he calculates. The calculation should uplift the opening stocks and reduce the closing stocks by the average index for the year.

Here are the figures:

Index at start of year 100

Index at end of year 130

Average index 115

Opening stock 100 x 115

100 x 115 = 115

Purchases 730

730 x 115 = 839.5

Closing stock 130 x 115

130 x 115 = 149.5

Cost of sales £700

£700 - £700 = £30

Adjustment is £30

Even this much lower adjustment of £30,000 must be regarded as the maximum. If the company issued stocks to sales at average prices, the historic amount would be higher than the £700,000 shown above, and the inflation adjustment correspondingly lower.

It is important to remember what inflation accounting is all about — to show how inflation distorts company results.

Bernard Cox, 63, Portland Place, W.1.

The bad old days

From Mr. N. Deuchurst.

Sir, — One sympathises with Mr. J. Talbot (January 5) when he complains about inefficiencies which occur with the use of computers, but the problem lies mainly with the programming themselves.

One is constantly hearing that "The computer has made a mistake" whereas the true position is that the blessed machines do exactly as they are told and in many years' experience with a very large computer set-up, I have never known a mistake that could be put down to the machine itself.

I cannot accept that the use of computers is merely "To satisfy starry-eyed enthusiasts," as Mr. Talbot suggests, as in my own profession (banking), we could contain a statement that my not have coped with the tremendous expansion of business in the last fifteen years without their aid.

Anyone with more than a few years' service in banking will remember the hours of tedious

work involved before computers were brought in, the amount of overtime needed at the beginning of each month and the dreadful business at each Bank Rate change, not to mention the half year end, with its working and posting of charges and balancing of the books. I, and thousands of my colleagues, are eternally grateful that the "Good Old Days" have gone forever!

A practical point which Mr. Talbot may care to consider is that, again to quote from my own sphere of operations, to cope with the present workload in the average branch bank, not only would we need many more staff and a very expensive investment in machinery, but also premises two or three times the size! Bank customers will be already at bursting point and the plain fact is that, without the computer, British banking would have ground to a halt years ago.

This is not to imply, of course, that everything in the bank (and other computer applications) is rosy. Anyone who deals with computers is well aware of the deficiencies in the system, but remember, the use of computers is really still in its infancy. Twenty years ago, they were part of science fiction and to-day they are a part of everyday life.

Improvements are constantly being made and it is not too much to hope that, in a very few years, computers will bring a standard of service to Bank customers and others which far surpasses that provided in the not-so-very-long-ago. What is needed is understanding and not a little patience, but the reward will come and all will benefit in the end.

In the meantime, I wish Mr. Talbot the best of luck with his motor insurance!

Norman Dewhurst, 49, Station Road, Haghill, Liverpool 31.

Free market in currency

From the chairman, The Chelsea Group of Young Conservatives.

Sir, — Does Mr. Platt (January 5) not understand that complete freedom is the best method for reducing influences in any market? Monopolies cannot exist in a truly free market.

Speculators are a necessary part of the market place, which is more than can be said for Governments, as, in fact, they help create a market in which those with business can protect their financial and stock positions.

If Mr. Platt would try to imagine a totally free market in currency, where all could buy or sell foreign exchange at the market price and could hold their financial assets in any currency they chose, he would realise that the "selfish" motives of all these people and those of the "foreign speculators" would create a true and stable market without any "help" from the interventionists.

Charles Smedley, 255, Bolton Gardens, S.W.5.

To-day's Events

now in hands of receiver.

Nigerian-British Chamber of Commerce inaugural meeting, 69, Cannon Street, E.C.4, 3 p.m.

International Furniture Show opens, National Exhibition Centre, Birmingham (until January 15).

Sadler's Wells Theatre announces 1978 plans.

City New Year Service, St. Michael, Cornhill, E.C.4, 12.15 p.m.

Preacher, the Rector, Canon Norman Motley. Those attending include Sir Peter Vanneck, Lord Mayor of London, Mr. Gordon Richardson, Governor of the Bank of England, and principals of City firms and institutions.

PARLIAMENTARY BUSINESS

House of Commons: Scotland Bill, committee.

OFFICIAL STATISTICS

Personal income, expenditure and savings (third quarter). Gross domestic product (third quarter, revised). Appropriation account of industrial and commercial companies and new acquisition of financial assets (third quarter). Retail sales (November, final). Hire purchase and other instalment credit business (November). Vehicle production (December, provisional). Housing starts, completions and grants (November).

COMPANY RESULTS

Letrasat Intnl. (half-year). SGB Group (full year).

COMPANY MEETINGS

Higson's Brewery, Liverpool, 12. Stockholders' Investment Trust, Winchester House, E.C.3, 5.30.

OPERA

Royal Opera production of Die Fledermaus, Covent Garden, W.C.2, 7.30 p.m.

BALL

London Festival Ballet dance The Nutcracker, Royal Festival Hall, S.E.1, 7.30 p.m.

MUSIC

Lunch-time Prom, BBC Concert Orchestra, conductor Ashley Lawrence, soloist Jack Brymer (clarinet), in programme of Arnold, Beethoven and Weber, Guildhall, E.C.2, 12.15 to 2.15 p.m.

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ISSUE NEWS AND COMMENT

Tameside makes a double issue

Setback at Ley's Foundries

Turnover	35,195,000	32,196,000
Pre-tax profit	1,677,991	3,102,453
Tax	879,943	1,619,956
*Extraord. profit	149,337	—
Attributable	868,335	1,430,497
Retained	438,920	1,831,706

† On sales of investments.

W

This does not co

profits is better than it looks given that the contribution from stock profits has fallen from 20 per cent. to 10 per cent. as steel prices stabilised in 1977. The pre-tax profit increase is reduced to 6 per

Mr. Thomas Kenny, chairman of the City of Dublin Bank expects the current year to again show a record profit after the peak £0.43m. earned in the latest year to September 30, 1977.

Net assets per share are shown as 104.6p (103.3p).

● **comment**

RFD's impressive growth rate over the past three years has

This does not co

that the contribution from stock profits has fallen from 20 per cent. to 10 per cent. as steel prices stabilised in 1977. The pre-tax profit increase is reduced to 6 per cent. by higher interest payments.

Mr. Kenny says the recent upsurge in the money supply and lending may prompt some restraint from the Central Bank which could retard the bank's rate of

16.803p (14.865p). After tax of £253,878 (£188,576) the net balance came out higher at £242,752 (£210,385).
The company, which is unquoted, has close status.

*Results for the year ended
31st July, 1977*

* Profit before tax £625,453 on sales of
£6,718,268.

**Moss, Lawson & Co.
Limited**

•

and The Stock Exchange

The adoption worldwide of the name Deloitte Haskins & Sells by Deloitte & Co. and Haskins & Sells reflects the long-standing international organisation of the firm.

FOR SIX MONTHS TO 30TH SEPTEMBER 1977

•

The interim dividend will be payable on 30th March 1978 to shareholders on the register at the close of business on 24th February 1978.

MORRIS ABBOTT

P.O. pension deficit means higher cost to consumer

BY ERIC SHORT

ARE CONSUMERS paying too much for the services provided by the Post Office simply to allow it to conform with the British pension scheme liabilities should be fully funded? This is the question posed by the latest report of the Post Office Staff Superannuation Fund for the year ending March 31, 1977. This contained the valuation of the fund made at the previous year-end and showed that the deficiency in respect of past service benefits had reached £1.92bn.

The first disquieting feature is that this deficiency is getting larger with each successive valuation, despite the amounts of money paid into the fund by the Post Office to get rid of it. When the fund started at vesting date October 1, 1969, the consulting actuary to the fund R. Watson and Sons put the value of the fund at £604m. The value of the liabilities was £595m, against an actuarial value of £581m, placed on the fund's nominal holdings of Consols 2½ per cent. The fund started with no other assets. At the first formal valuation on September 30, 1972, the deficit had grown to £1.09bn. Now it is approaching £2bn.

The actuary's report explains why the deficit has grown. Because the pay and pension increases that actually occurred in the scheme were higher than had been anticipated at the previous valuation, the actuary has now made more stringent assumptions in his new valuation.

The Post Office Act 1969 laid on the Post Office the responsibility for meeting the actuarial deficiency on the scheme out of its own resources and the Post Office elected to pay off the deficit over 20 years from April

1, 1972. By April 1, 1976, it had already made four years' payments and yet the deficit had swollen.

If the P.O. keeps its original timetable, then it will have to increase its payments substantially and that means higher prices for the consumer. The actuary's report recommends an increase from the present 11 per cent of payroll to 25 per cent—a jump of one-fifth.

But a closer analysis of the assumptions made by the actuary in his valuation may be a cause for further dismay. He would appear to have remained on the optimistic side in his view of future inflation rates and future investment returns. He has assumed that real incomes will rise at 2 per cent per annum and that investments will produce a real return of 4 per cent per annum.

Admittedly the actuary must take a very long term view. But events of the past few years do not support these assumptions. Other consulting actuaries regard both as reasonable however, and the actuary's assumptions are 1 per cent lower than previously.

The P.O. actuary is due to make a further assessment of the position as at April this year when the revised scale of benefits necessary for the fund to Contract-out of the new State pension scheme comes into operation. The aim here is to get the two contribution changes to coincide. Nevertheless if the actuary changes his assumptions again, the deficit could grow to £2bn, despite the £234m that the P.O. has injected during 1977.

The crux of the problem is two-fold. The Post Office is being asked to carry an unfair burden in respect of pre-1969 pension liabilities previously the responsibility of the Government. The Government's original endowment

now proves to have been ridiculously low.

Possibly more important, the situation highlights the cost burden of funding, in advance, for inflation-linked pensions, that is, of paying in present pounds for future pounds that will be very much depreciated.

The actuary's report also reveals a future service deficit of £296m, as well, the current contribution rate for benefits in the future is inadequate. Again he is recommending an increase in these rates from 15 per cent to 17.1 per cent. This is on top of the problem of the past service deficit.

The immediate impact of these increased levies for which the consumer will pay, will be that the fund would have to invest £450m a year instead of the figure for 1977 of £366m. The consumer may well echo the actuary's report querying whether such a large fund is really necessary.

The Post Office confirms that discussions are now going on with the Government over the question of the deficiencies and what to do about them. It gives no indication of possible solutions but admits the urgency of doing something. It is difficult, however, to see how the P.O. can avoid moving from a fully funded to a partially funded system in which it will carry a permanent deficit.

The defenders of the fully funded principle—primarily actuaries, but also many trade unionists—point out that it introduces financial discipline and that one generation does not subsidise another. This is certainly not the case with the Post Office in its dilemma, where the present generation has the prospect of subsidising both past and future.

H. Samuel sees peak: dividend up

MULTIPLE RETAIL jewellers, H. Samuel, predicts record results for the January 31, 1978, year and is increasing the interim dividend from 1.1p to 1.5p net per 25p share.

Directors say trading for the first 11 months has been "very satisfactory" with a successful Christmas.

The previous peak figure was last year when £9.02m was earned before tax, and total dividends of 7.5p were paid.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Other indications are not available whether dividends concerned are interim or final and the sub-divisions shown below are based mainly on last year's time-table.

FUTURE DATES	
Interim—Ammal Industrial, Butterfield, Harrow, Letras International, Fidelity—Investors Capital Trust, Northern Capital, SGB, Seacrest, Sarsfield	
Interim—	
Best and May	Jan. 16
Dover	Feb. 7
Heron Motor	Jan. 12
Amal	Jan. 18
First National Finance	Jan. 13
Grand Metropolitan	Jan. 30
United States and General Trust	Jan. 19
Watson and Philip	Jan. 26

Property & Reversionary

Property and Reversionary Investment Corporation has spent £350,000 on buying a 999-year lease on 250,000 sq. ft. of factory and ancillary office space in Farnborough, Hants. The premises are let to Solatron, a subsidiary of the American oil and electronics group Schlumberger, for £100,000.

This represents an initial yield of 10.5 per cent on the basis of an average rent for the 15-year-old buildings of 40p per square foot. The key to the deal is the fact that it will generate a positive cash flow from the start. In addition there is the prospect of rent review in 1988, or earlier if the lease is terminated by the tenant.

The buildings occupy a 15-acre site which offers some possibility of further development.

Commenting on the deal, Mr. Kenneth Rubens, managing director of Property and Reversionary, said that his company had not bought property for some time now but that he would be prepared to "go out on a limb again for something like this."

New Throgmorton

New Throgmorton Trust announces that under the terms of the trust deed constituting the capital loan stock £211,822 nominal of stock was tendered at 109.53p per unit.

This amount of stock has been accepted in full by the dealing subsidiary, for a consideration of £231,659.

The outstanding stock not held by the company or its subsidiaries now amounts to £1,786,037 nominal.

Co-op new premiums up

The Co-operative Insurance Society announces that in the life department the new premium income rose from £19.2m. to £23.1m. in 1977 and the corresponding new sums assured amounted to £72m. compared with £67.4m.

CABLEFORM—95%

The one-for-ten rights issue by Cableform Group to raise £0.2m. has been taken up as to 94.95 per cent. The balance has been sold and the net proceeds distributed to entitled shareholders.

Avon Rubber to spend £4m.

A MORE than \$4m. capital expenditure programme will be carried out by the Avon Rubber Company in the current year, Mr. Hugh Rogers, the retiring chairman, says in his annual statement.

He says the programme shows a continued increase in the rate of investment, and will be financed from internally generated funds.

In the last year to October 1, 1977, borrowings were further reduced, while at the same time the capital investment programme for buildings and plant was further increased to provide extra capacity.

As reported pre-tax profit of the tyres and industrial products group advanced from £2,453,455 to a record £5,416,553 in the 1976/77 year. The dividend total goes up from 5p to 8.275p net per £1 share.

Turnover and profit by activity was: tyres £25.95m. and £11.3m. (£24m. and £0.15m.); Motorway Tyres and Accessories £28.5m. and £0.59m. (£22m. and £0.08m.); Avon Rubber Company (Bridgend) £11.3m. and £0.55m. (£8.2m. and £0.02m.); processed polymers

£0.53m. and £0.15m. (£0.12m. and £0.08m.); Industrial polymers £19m. and £1.75m. (£16.1m. and £1.22m.); medicals £2.44m. and £0.09m. (£2.1m. and £0.24m.); and £4.27m. and £0.29m. (£3.4m. and £0.15m.); and overseas £14.6m. and £0.75m. (£11.8m. and £0.4m.).

Investment income contributed £16,080 (same) to profit and associated companies £115,253 (£5,674).

Exports from the U.K. grew from £18,240,448 (21 per cent of total turnover), to £26,919,073 (25 per cent of turnover).

Mr. Rogers says that the improvement in profit from tyres was brought about by increased efficiency in manufacturing, selling and distribution.

Results of Avon Medicals, which specialises in the manufacture of sterile disposable medical products, fell short of expectations, but a substantial improvement in profitability is expected during 1977/78.

Overseas companies had a good year, the most profitable being the manufacturing company in Kenya.

Avon has begun the transfer of control of the operations based in Nairobi to Kenya citizens and Mr. Rogers says, "Although this entails reducing our shareholding to below 50 per cent, we believe that in both the short and the long term it will help us to achieve greater expansion and profitability."

Hanson Trust are pleased to announce that their latest results are nothing out of the ordinary.

In 1977 Hanson Trust continued its growth with results as good as expected.

Profits have grown to £24.4 million from £19.2 million in 1976.

Earnings per share have climbed to 20.3p from 15.1p in 1976.

And net tangible assets per share are up to 100p from 85p in 1976.

Hanson Trust's policy of investing as carefully in management as they do in assets has again succeeded.

Hanson Trust
The industrial management company where people are as valued as assets.

Copies of the report and accounts are available from Hanson Trust Ltd, 120 Roper Road, London SW3 1HE. Tel: 01-589 2070.

This announcement appears as a matter of record only



EMPRESA NACIONAL DE ELECTRICIDAD S.A.

US\$ 45,000,000

7 year loan

for the part financing of a lignite fuelled power station

managed by

LLOYDS BANK INTERNATIONAL LIMITED
DG BANK
Deutsche Genossenschaftsbank

CANADIAN IMPERIAL BANK OF COMMERCE
GRINDLAY BRANDTS LIMITED

co-managed by

MELLON BANK, N.A.

THE SANWA BANK, LIMITED

provided by

LLOYDS BANK INTERNATIONAL LIMITED
DG BANK
Deutsche Genossenschaftsbank
(Cayman Islands Branch)

CANADIAN IMPERIAL BANK OF COMMERCE

GRINDLAYS BANK LIMITED

MELLON BANK, N.A.

THE BANK OF YOKOHAMA LIMITED

MTBC & SCHRODER BANK S.A.

THE ROYAL BANK OF CANADA
INTERNATIONAL LIMITED (NASSAU)

AGENT BANK

PAYING AGENT

LLOYDS BANK INTERNATIONAL LIMITED

BANCO DE LONDRES Y AMERICA DEL SUR

Members of the Lloyds Bank Group



December 1977

The List of Applications will open at 10 a.m. on Thursday, 12th January, 1978 and will close at any time thereafter on the same day. Application has been made to the Council of the Metropolitan Borough of Tameside for the Stock being issued to be admitted to the Official List.

METROPOLITAN BOROUGH OF TAMESIDE

ISSUE OF

£7,000,000 Metropolitan Borough of Tameside
10½ per cent. Redeemable Stock, 1984-85
PRICE OF ISSUE £99½ PER CENT.

Payable as follows—	
On Application	£10 per cent.
On 1st March, 1978	240 per cent.
On 10th April, 1978	£99½ per cent.
	£99½ per cent.

Interest (less income tax) will be payable half-yearly on 5th June and 5th December.

A first interest payment of £2,3797 (less income tax) per £100 Stock will be made on 5th June, 1978.

Authorised by the Council of the Metropolitan Borough of Tameside and issued in accordance with the provisions of the Local Government Act 1972, the Local Authority (Stocks and Bonds) Regulations 1974 and the Tameside Metropolitan Borough Loans Fund Scheme 1977.

The Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961.

Barclays Bank (London and International) Limited, New Issues Department, P.O. Box 123, 2 London Wall Buildings, London Wall, London EC2P 2BU, is authorised by the Council of the Metropolitan Borough of Tameside to receive applications for the above amount of Stock.

1. SECURITY.—The Stock and the interest thereon will be secured on all the revenues of the Council and will rank pari passu with the existing and future debt of the Council.

2. PROVISION FOR REPAYMENT OF LOANS.—The Council is required by Acts of Parliament and by the Tameside Metropolitan Borough Loans Fund Scheme 1977 to make appropriate provision towards redemption of loans raised for capital expenditure to make such loans in connection therewith as may be required by the Secretary of State for the Environment.

3. PURPOSES OF ISSUE.—The net proceeds of the present issue of Stock will be applied to replace moneys temporarily borrowed, to finance authorised capital expenditure, to reduce maturing debt and to finance further capital expenditure.

4. REDEMPTION OF STOCK.—The Stock will be redeemed at par on 5th June, 1985 unless previously cancelled by purchase in the open market or by agreement with the holders. Further, the Council has the option to redeem the Stock in whole or in part, or at any time after 5th June, 1984 on giving not less than three calendar months' notice to the Stockholders in writing or by public advertisement.

5. INTEREST.—Interest (less income tax) will be paid half-yearly on 5th June and 5th December by warrant, which will be sent by post at the Stockholder's risk. In the case of a joint account, the warrant will be forwarded to the person first named in the account unless instructions to the contrary are given in writing.

6. APPLICATION AND GENERAL ARRANGEMENTS.—Applications which must be on the prescribed form and must be accompanied by a deposit of £10 per cent. of the nominal amount applied for will be received at Barclays Bank (London and International) Limited, New Issues Department, P.O. Box 123, 2 London Wall Buildings, London Wall, London EC2P 2BU.

Applications must be for a minimum of £100 Stock or in multiples of £100 for applications up to £1,000.

Larger applications must be made in accordance with the following scale—

Applications above £1,000 Stock and not exceeding £5,000 Stock in multiples of £500.

Applications above £5,000 Stock and not exceeding £20,000 Stock in multiples of £1,000.

Applications above £20,000 Stock in multiples of £5,000.

A separate cheque drawn on a bank in and payable in the United Kingdom must accompany each application. No application will be considered unless this condition is fulfilled.

In the event of partial allotment, the surplus from the amount paid at deposit will be refunded to the applicant by cheque. If no allotment is made, the deposit will be returned in full. No allotment will be made for less than £100 Stock.

Barclays Bank (London and International) Limited, reserves the right to return surplus application moneys by means of a cheque drawn on a country branch of Barclays Bank Limited to any applicant whose application was not supported by a Banker's Draft or by a cheque drawn on a Town Clearing Branch of a Bank in the City of London.

Payment in full may be made at any time after allotment, but no discount will be allowed.

Default in the payment of any instalment by its due date will render all previous payments liable to forfeiture and the allotment to cancellation.

Each applicant to whom an allotment of Stock is made will be sent a renewable Letter of Allotment, which must be produced when instalment payments are made. Letters of Allotment, which may be sent up to 3 p.m. on 26th April, 1978, will contain forms of renunciation which will be available up to 3 p.m. on 26th April, 1978. On payment of the instalment due on 1st March, 1978, the Letter of Allotment will be returned to the applicant. If the Letter of Allotment is not returned, the Letter of Allotment will be deemed to have been accepted and the applicant will be deemed to have accepted the terms of the Letter of Allotment.

Partly paid Letters of Allotment may be split in multiples of £100 Stock, but fully paid Letters of Allotment may be split down to multiples of one penny of Stock. No Letters of Allotment will be split unless then due have been paid. There will be no charge for splitting Letters of Allotment.

The Stock Certificate will be despatched by ordinary post at the risk of the Stockholder. It will be sent by registered post at the risk of the applicant. The Letter of Allotment is lodged at Barclays Bank (London and International) Limited, New Issues Department, P.O. Box 123, 2 London Wall Buildings, London Wall, London EC2P 2BU with the lodging agent's name and address inserted in the space provided at the foot of page 2 of the Stock Certificate will be despatched to the lodging agent on 26th May, 1978. Letters of Allotment will cease to be valid after 26th May, 1978.

A commission of 12½p per £100 Stock will be allowed to recognised bankers and stockbrokers on allotments made in respect of applications bearing their stamp, and Value Added Tax registration number (if applicable); this commission will not, however, be paid in respect of an allotment which arises out of an underwriting commitment.

7. STATISTICS.—Relating to the Metropolitan Borough of Tameside.

Population—1976 (Registrar General's estimate)	221,500
Rateable value—1974/75 (estimated)	£20,325,526
Product of a rate of 1p to the £—1977/78 (estimated)	£271,870
Commitment in the £—1977/78	£66.0
Net loan debt—31st March, 1977	£82,630,850

8. PROSPECTUS.—Prospectuses and application forms may be obtained from: BARCLAYS BANK (LONDON AND INTERNATIONAL) LIMITED, New Issues Department, P.O. Box 123, 2 London Wall Buildings, London Wall, London EC2P 2BU.

PHILLIPS & DREW, Lee House, London Wall, London EC2Y 5AP.

THE DIRECTOR OF MINANCE, Metropolitan Borough of Tameside, 24 Municipal Buildings, Wellington Road, Ashton-under-Lyon, Lancashire.

The offices of THE STOCK EXCHANGE.

The List of Applications will open at 10 a.m. on Thursday, 12th January, 1978 and will close at any time thereafter on the same day.

APPLICATION FORM FOR METROPOLITAN BOROUGH OF TAMESIDE

10½ per cent. Redeemable Stock, 1984-85
Issue of £7,000,000 Stock at £99½ per cent.

To: BARCLAYS BANK (LONDON AND INTERNATIONAL) LIMITED, New Issues Department, P.O. Box 123, 2 London Wall Buildings, London Wall, London EC2P 2BU.

I We hereby apply for (say)

(rounds) of Metropolitan Borough of Tameside 10½ per cent. Redeemable Stock, 1984-85, according to the conditions contained in the Prospectus dated 9th January, 1978, and undertake to accept the same or any less amount that may be allotted to me, to and to pay for the same in conformity with the terms of the said Prospectus. I We request that any Letter of Allotment in respect of Stock allotted to me be sent to me by post at my own risk to the first written address and that such Stock be registered in my name.

I We enclose the required deposit of £ being £10 per cent. on the nominal amount applied for, and warrant that the cheque attached hereto will be honoured on first presentation and agree that any allotment of Stock is made strictly on this understanding.

I We declare that I am not one of us is resident outside the Scheduled Territories within the meaning of the Exchange Control Act 1947, and that I am not acquiring the Stock on behalf of or as nominee(s) of any person(s) resident outside those Territories.

1978. SIGNATURE

First Name(s) in full
Surname and Designation (Mr., Mrs., Miss or Title)
Address in full (including postal code)

(The spaces below are for use in the case of joint applications)

Signature

First Name(s) in full
Surname and Designation (Mr., Mrs., Miss or Title)
Address in full

Signature

First Name(s) in full
Surname and Designation (Mr., Mrs., Miss or Title)
Address in full

Signature

PLEASE USE BLOCK LETTERS

* Applications must be for a minimum of £100 Stock or in multiples thereof up to £1,000.

Larger applications must be made in accordance with the following scale—

Applications above £1,000 Stock and not exceeding £5,000 Stock in multiples of £500.

Applications above £5,000 Stock and not exceeding £20,000 Stock in multiples of £1,000.

Applications above £20,000 Stock in multiples of £5,000.

If this declaration cannot be made, it should be deleted and reference should be made to an Authorised Depositary or, in the Republic of Ireland, an Approved Agent through whom lodgment should be effected. Authorised Depositaries are listed in the Bank of England's Notice E.C.1, and include most Banks and stockbrokers in and solicitors practising in the United Kingdom, the Channel Islands or the Isle of Man. Approved Agents in the Republic of Ireland are defined in the Bank of England's Notice E.C.10.

The Scheduled Territories or present comprise: the United Kingdom, the Channel Islands, the Isle of Man, the Republic of Ireland and Gibraltar.

A SEPARATE CHEQUE DRAWN ON A BANK IN AND PAYABLE IN THE UNITED KINGDOM MUST ACCOMPANY EACH APPLICATION FOR STOCK. NO APPLICATION WILL BE CONSIDERED UNLESS THIS CONDITION IS FULFILLED.

This form should be completed and sent to: BARCLAYS BANK (LONDON AND INTERNATIONAL) LIMITED, New Issues Department, P.O. Box 123, 2 London Wall Buildings, London Wall, London EC2P 2BU, with a cheque payable to Barclays Bank (London and International) Limited or in the shortened form "BANK" for the amount of the Deposit. Cheques should be crossed "Not Negotiable".

In the case of joint applicants, all must sign and, in the case of a corporation, this form must be completed under hand by a duly authorised officer who should state his designation. No receipt will be issued for payment on this application but an acknowledgment will be forwarded by post in due course, either by Letter of Allotment, or by return of deposit.

GERMAN NEWS

BY GUY HAWTIN

FRANKFURT, Jan. 9.

by 15.9 per cent. to pass the DM10bn. point for the first time. It was obvious that Ford, like the rest of the West German car industry, was in a good position to meet the challenge of the first half's slump. At the end of the first six months, sales were up by 6 per cent.

According to the group the figures would have been even higher if it had not been for the high proportion of production exported. During the first half, this amounted to more than 6 per cent. of total output.

By Our Own Correspondent

FRANKFURT, Jan. 9.

FORD MOTOR'S West German subsidiary has reported a record year for 1977. Sales and turnover were up substantially, but to-day's brief statement gave no indication as to profits.

According to to-day's report, car and commercial vehicle production increased by 1.8 per cent to 878,500 units, while sales advanced by 12.8 per cent to 927,000 units. Turnover, as a result of price rises, advanced even more steeply. It went up

By Paul Betts

ROME, Jan. 9
MILAN MAGISTRATES served notice to-day to the chairman of Credit Suisse, Dr. Oswald Aepli, that he could be called to answer alleged fraud charges against the bank. It is understood that Dr. Aepli has been

This follows allegations filed by Sig. Ferdinando Bozzo, former chairman of the Milan-based Molini Certosa concern, which has been linked to the so-called "Credit Suisse scandal" against the Zurich branch of the leading Swiss

John Wicks writes from Zurich: No official statement is yet available from Credit Suisse on the report of *Milioni Certosa* that the entire capital of the Italian food processor *Milioni Certosa* is collateral for a large loan granted to the company.

BY STEWART BEMING

BUDD COMPANY, a leading supplier of parts to the automotive industries, which has sales revenues of \$1bn. in 1976, has announced that it has received a takeover approach. The company declined to name the source of the approach, say-

ing only that exploratory conversations have taken place but that no offer has yet been received. The company is a major supplier of doors, bumpers, truck cabs and chassis to the car industry, particularly to the Ford Motor Company which is Budd's largest customer. At the current market value of its stock, a purchaser would have to pay at least \$200m. for all its close to 7m shares.

But in the light of recent U.S. takeover trends, it is more than likely that a bidder would have to pay a substantial premium over the \$30 a share around which the stock has been trading.

Gulf and Western not to extend debt offer

offer for its 5½ per cent. convertible subordinated debentures which is scheduled to expire to-day. It said about \$26m. principal amount of the Debentures have been tendered to date. There are about \$275m. of the debentures outstanding.

Under the terms of the offer, Gulf and Western will issue \$112.50 principal amount of 7 per cent. Subordinated Debenture series "A" due July 1, 2003, in exchange for each \$100 principal amount of 5½ per cent. Debentures.

Business leaders less confident

U.S. BUSINESS leaders are less confident than a year ago about the profits outlook for the industries, according to a Conference Board survey, reported by Reuters from New York.

The survey also said the businessmen continue to express concern about the U.S. economy, with the Board's overall measure of business confidence falling to 53 in the fourth quarter from 55 in the third.

Asked how they think 1978 profits in their particular industries would compare with anticipated 1977 earnings, only 54 per cent. of the executives surveyed said they see improved profits in the current year, down from 68 per cent. in a similar survey conducted in the fall of 1978.

The Board's Confidence Measure, which uses a scale 1-to-100, is based on quarterly surveys of more than 1,500 chief executive officers of U.S. companies of various sizes. Executives are asked to appraise current economic conditions, economic outlook for the next 12 months, and prospects for their own industries.

The survey said the executive cited inflation and Government policy as the two major factors influencing their profit picture in 1978. The most common inflation fear is that costs will climb faster than selling prices this year and squeeze profit margins it said.

But the executives were decidedly less optimistic about

Between the third and fourth quarter of 1977, it is confidence for current economic conditions fell 14 points and confidence in the general outlook dropped seven points, but executives' appraisal of prospects for their own industries declined only two points.

COMMONWEALTH OF MASSACHUSETTS

Inc. said its interim borrowing arrangements were further extended by its bank lenders to certain other creditors on a 90-day basis until January 1, 1982. Reuter from London.

Commonwealth Oil said it then is able to maintain operations while it continues to attempt to work out an interim solution to its financial difficulties, "including the further development of a proposal expected to make to Ashland Inc. and its bank lenders."

BY CHARLES BATCHELOR

DUTCH BUSINESS is fairly optimistic about the economic prospects for the year ahead, according to the views expressed at a presidents' lunch held here to-day. But many of the 11 company chairman, representing a cross section of commerce and industry, expressed concern that

Smit Internationale said there were good prospects for the transport of heavy loads by sea. The placement of oil exploration and boring equipment in the southern waters of the North Sea was half completed but there was increasing demand for repair and maintenance work.

of Saudi Arabia and the United Arab Emirates most countries have cut back on spending. There is a clear trend to either engineering works away from dredging and marine engineering. Bos Kalis expects profits to rise at least 10 per cent. in 1977. It has an order book of Fls.2.4b

lishing is one outlet however, added.

Mr. Jan Van Someren, 1977 was a good year for Amfas Groep. The results in life insurance sector reasonable to good. General insurance has been loss making, but the government did a

BREDERO, the Dutch building

company, said its net profits in 1977 rose more than 7 per cent on the 1976 level of Fls.9.71. However, the increase in capital by Fls.1.8m. to Fls.29.6m. in 1977 means profits per share will be about the same as in 1976. It was then Fls.35.10 p Fls.100 nominal share. Turnover was more than Fl.700.

in manufacturing divisions. In 1977, Brederer placed a greater emphasis on fuller order books than a year ago. Brederer plans further expansion of its foreign activities following the start made in Nigeria and Canada in 1977. Projects now under preparation in the U.S. are taking on a more definite form and Brederer's liquidity position is ample.

BY MARY CAMPBELL

THE DOLLAR sector of the Eurobond market took another beating yesterday while the prices of D-mark bonds were also weaker. The sharp falls in U.S.

six year DM100m. tranche and 6 per cent. for ten years with the price left open on the other DM100m. tranche. Both are bullet.

and an issue price of 99¢. The issue manager is prepared to confirm that it has done the deal.

BONDTRADE INDEX
Yesterday Fri

Big Offer

[illegible]

Sales	20,653	17,798	38,112
Profit before Tax	1,622	1,530	3,052
Earnings per Share	7.7p	7.8p	15.7p
Dividends per share	1.179p	1.072p	4.376p

Demand for steel and tube products remains weak. However benefits are continuing to flow from our sustained investment programme, both sales and profits showing an increase, which is satisfactory under very competitive trading conditions. We have grounds for confidence in the outcome for the full year.

S. DOUGLAS RAE, Chairman

STEEL AND TUBE STOCKHOLDERS AND PROCESSORS

150101

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Sun Life firm on Toronto move

By Robert Gibbens

DESPITE PROTESTS by opponents of Quebec separatism and expressions of regret from Federal Finance Minister Jean Gauthier, the Sun Life Assurance Company of Canada is standing by its decision announced on Friday to move its headquarters from Montreal to Toronto.

Sun Life is the largest Canadian-owned life insurance company with assets of over \$500m and insurance in force world-wide of \$31.7bn. Its operations in Quebec are the largest after the Life subsidiaries of the Desjardins Caisse Populaire movement.

That means its Quebec life insurance in force is around \$6.5bn.

The projected move of head office from the famous Dominion

Square landmark in Montreal to the Toronto suburb of Bramalea would involve nearly 2,000 key people. Headquarters operations for the American business were moved to Boston in 1973, involving about 500 jobs.

Sun Life was mutualised around 15 years ago when it was widely believed that American interests were planning to get control.

Sun Life, founded in Montreal 107 years ago, said the reason for the move is that Bill 101, the French language charter, so restricts English language schooling in Quebec that it cannot recruit sufficient Anglophone specialists and managers to maintain head office operations in Montreal.

It insists its business is so worldwide that international

administration and also for the rest of Canada must be in English to be effective.

Mr. Chretien said that the Federal Government cannot do anything about the planned Sun Life move, and it was solely a decision for the policy-holders and the management.

Mr. Thomas Galt, President of Sun Life, issued a statement replying to charges by Quebec Finance Minister, Jacques Parizeau, that his company had been "the worst exploiter of Quebecers' savings" and had invested \$400m of these savings in other provinces when it was under obligation to put the money back into Quebec.

"We are not holding outside the province any such sum that could be related to our Quebec

policy-holders," Mr. Galt said. "Mr. Parizeau seems to be comparing assets to premiums collected, but allowance must be made for payment of benefits to policy-holders and expenses."

"The Sun Life has always invested very substantially in Quebec, and in September, 1977, our Quebec investments amounted to about \$680m. This was an increase of \$58m during the first nine months of 1977."

Though Mr. Galt did not say it, Sun Life took up nearly \$30m in long-term bonds issued for financing the Sidbec-Norminnes tinelling plant at Port Cartier, in which British Steel Corporation has a 40 per cent equity interest. The tinelling plant is a Canadian institutional investor in that \$500m project.

Woolworth S.A. lifts halftime profits

By Richard Rolfe

JOHANNESBURG, Jan. 9. THE RETAILING group Woolworth, which has 60 stores in South Africa and maintains close links with Marks and Spencer, has reported a rise in interim profits for the 26 weeks to November 24, which is in marked contrast to the declining fortunes experienced by most of its competitors.

Woolworth's turnover rose from R63m. to R66m. Net income before tax was up from R5.6m. to R9.3m., showing some appreciation in profit margins. Earnings per ordinary share went ahead from 16.6 cents to 17.9 cents and the interim dividend has been raised from 6.5 cents to 7 cents a share. Last year's total was 18 cents and the outlook is probably for a minimum 17 cents in the current financial year, to put the shares at 305 cents on a prospective yield of 5.6 per cent, making them the second highest yield in the retail sector after the food supermarket chain Pick 'n' Pay.

Marks and Spencer's pension fund sold its shareholding in Woolworth just over a year ago but merchandising links between the two groups remain close, with the Woolworth's brand name, "Servus," closely modelled on "St. Michael." Marks and Spencer also retains representation on the South African company's Board. Woolworth continues to hold 450,000 shares in Marks and Spencer.

FAR EASTERN NEWS

Singapore clearing move to stimulate trading

By Anthony Rowley

SINGAPORE Jan. 9.

THE STOCK EXCHANGE here is to introduce a central clearing house with a "full range of sophisticated computerised services" as part of its second, five-year development plan.

This was announced at the weekend by the Stock Exchange chairman, Mr. Ng Seng, who also disclosed plans by the exchange to establish an authorised depository within the exchange as well as a "securities finance corporation."

The authorised depository would provide registration services for clients of member companies (of which there are 19). This is a move designed to stimulate trading, as it will enable clients to trade in the two or three months needed currently before share certificates are obtained. Depository receipts will provide "good delivery" of shares for a limited period.

The proposed securities finance corporation will be along the lines of those operating in the U.S. and Japan. It will provide finance for members and clients to buy shares and will require the introduction of "margin trading" in Singapore. This move is being made to provide the market with liquidity which at present is "sadly lacking" according to Mr. Ng.

He added that the rate and SWIRE PROPERTIES is making an offer of S\$K8.70 a share in the previous month's increase—five year plan for the exchange, cash for Consolidated Properties which was opened in 1973 would

"depend to a great extent on the development of the securities industry" over the period.

The chairman denied "unfounded rumours" that the exchange and member companies intend to retrench trading room clerks "as a result of the plan to introduce a central clearing house and computer facilities."

at S\$K9.6m. Philip Bowring writes from Hong Kong. The offer follows an announcement in October that discussions were under way which might lead to an offer being made.

Interests controlling 35 per cent of the shares have undertaken to accept the offer, including Hutchison Properties which controls around 20 per cent.

The bid values Consolidated at 13 per cent over its last dealt price before suspension when the talks were announced. Since then share prices in Hong Kong have declined by about 7 per cent. The offer is 3.6 per cent above net assets based on a recent revaluation of properties.

Pahang shares re-traded

THE STOCK EXCHANGES of Singapore and Kuala Lumpur said they ended the suspension of trading in Pahang Consolidated shares with effect from today, Reuters reports from Singapore.

Pahang was suspended on June 16 last year, pending clarification of share deals involving it and its associated company, Faber Merin Malaysia Bhd.

Pahang Consolidated recently announced the resignation of its Board following moves by its company to divest itself of holdings in the other.

This represented a S\$110.4m. increase over the previous month's figures. A major factor was that credit extended to non-bank customers in the asia dollar market during November grew by S\$5.9m—more than double the increase in the previous month's increase—stimulated by the share decline in the U.S. dollar, said the MAS.

Bigger market in Asiadollars

THE SIZE of the asiadollar market in Singapore grew to S\$19.93bn. in terms of total asset liabilities during December, according to the latest figures issued by the Monetary Authority of Singapore, writes Anthony Rowley.

Bid from Swire Props.

SWIRE PROPERTIES is making an offer of S\$K8.70 a share in the previous month's increase—five year plan for the exchange, cash for Consolidated Properties which was opened in 1973 would

Sunday World sold

By Giles Merritt

DUBLIN, Jan. 9. INDEPENDENT NEWSPAPERS, Ireland's largest newspaper group, has announced that it is buying control of the Sunday World, the republic's top-selling tabloid.

The Independent group, which was acquired almost five years ago by Mr. Tony O'Reilly, executive vice president of H. J. Heinz, for \$5.5m., is to purchase 58 per cent of the Sunday World and has agreed to a deal under which it will acquire the remaining 42 per cent.

Mr. Hugh McLaughlin, who owns 54 per cent of the Sunday World through Nutley Investments, is selling his interest for 780,000 in cash and 200,000 shares of Independent Newspapers. Mr. Thomas Butler, who has a 4 per cent interest, is also selling his shareholding for 63,000. Independent Newspapers has also agreed to buy the 42 per cent shareholding held by Mr. Gerard McGuinness at a value based on the future profitability should be chosen to sell between January 1, 1979, and December 31, 1982. Mr. McGuinness will in the meantime remain managing director of the Sunday World.

The Independent group publishes the Irish Independent, evening Herald and Sunday Independent, as well as a number of provincial chains, and for the first half of 1977 recorded a 43 per cent rise in pre-tax profits, which reached 258,000. Various investments, which owns the Sunday World's operating company Sunday Newspapers, and so prints the weekly Irish Farmers' Journal, showed pre-tax profits of 162,000 for its last full year, ended March 31, and a tangible asset of £710,000. Started in 1973, the tabloid Sunday World has outstripped the Sunday Independent with a circulation that is now around 90,000.

Electrolux-Husqvarna bid

By John Walker

STOCKHOLM, Jan. 9.

AT AN EXTRAORDINARY shareholders' meeting today, Electrolux, the Swedish electrical equipment group, formally announced the offer to acquire the shares in Husqvarna, the Swedish kitchen equipment, sewing machine and motor cycle group.

The offer has been accepted by the Husqvarna Board and the shareholders will shortly receive a prospectus containing details of the offer, which is worth just under Kr.100m (£11m.) for the Husqvarna stock.

Electrolux is offering a 10-year convertible debenture with a nominal value of Kr.120 and a coupon of 8 per cent for each Husqvarna share of a nominal Kr.100. The debentures are convertible after two years into 12 Electrolux shares at a price of Kr.130, a shareholder being able to exchange 13 debentures of a nominal value of Kr.130 for 12 Electrolux shares. The offer

is conditional on the acceptance by holders of 90 per cent of the Husqvarna stock. Also, a condition of the issue of the debentures is that Husqvarna passes a resolution to cancel the so-called alien ownership prohibition clause in its articles of association and that the Government grant permission for this change.

Swedish bid activity

By Our Own Correspondent

A TOTAL of 611 companies were registered in Sweden in 1976, a drop of 26 per cent on the previous year's record figure of 638.

According to the Swedish Price and Cartel Office, the combined labour force amounted to 52,000, or 28 per cent fewer than in 1975.

Just over three-quarters of the companies had fewer than 50 employees and nearly half of them were taken over by enterprises with 500 or more employees. Thirty-five companies were acquired during the year, 12 fewer than in 1975, and were in all cases absorbed by another large company.

Only 33 companies were acquired by foreign or foreign-owned concerns in 1976—a drop of 14—and their combined labour force amounted to only 2 per cent of the total for all companies involved in takeovers.

Over half the takeovers related to companies operating within the wholesale retail, service and construction sectors. The Price and Cartel Office also reports that 98 agreements were entered into its Cartel Register in 1976, compared with 88 in the preceding year. Most of the agreements related to the service, chemical, chemical-technical, wholesale and plastic sectors.

SWISS NEWS

Leaders and laggards in world markets

By John Wicks

ZURICH, Jan. 9.

WORLD STOCK market performance declined by 2.5 per cent in 1977, according to the Geneva-based "Capital International Perspective." In a special analysis of the year, the Swiss quarterly calculates that the world index rose an arithmetic average of 1.00 per cent, the performance of some 1,100 securities listed on the stock exchanges of 19 countries and expressed in dollars.

By far the fastest growth of stock market activity was that of 34.3 per cent in the U.K. in terms of local currency and based on the capital index of the house indices. Other countries with an expansive stock market were Federal Germany with an 8 per cent increase, Switzerland with 2.5 per cent, Australia and Canada each with 1.3 per cent, and Holland with a 1 per cent growth.

A decline in performance close to the world index was shown by Singapore and Denmark, with minus rates of 2.6 and 2.7 per cent respectively. The decrease was more marked in the case of France (6.6 per cent), Belgium (7 per cent), Japan (7.2 per cent) and Austria (8.4 per cent). In the U.S., the rate of decline was 12.2 per cent over 1976 levels.

Highest falls-off are given as those of 15.6 per cent in Sweden, 15.9 per cent in Hong Kong, 22.2 per cent in Italy, 27.3 per cent in Norway and 28 per cent in Spain.

While these national performances are in local currencies, "Capital International Perspective" also illustrates the change of exchange rates against the dollar during 1977. The highest growth rates are given as those of the Swiss franc, which rose 22.2 per cent, and the yen with 22 per cent, followed by 12.1 per cent for the D-mark, 11.9 per cent for sterling and 11.6 per cent for the schilling.

The only currencies in the countries concerned which

dropped against the dollar were Canadian dollars by 7.7 per cent, Swedish kronor by 11.6 per cent, and pesetas by 15.7 per cent, the survey claims.

Sw.Frs.70m. bonds from Swissair

SWISSAIR is to issue a share of Sw.Frs.70m of 4 per cent bonds from Friday until January 19 writes John Wicks. Of the money to be raised, Sw.Frs.50m. will be used for conversion or repayment of 18-year bonds due to mature on January 31. The remainder will go towards the fleet renewal and expansion, connected investments.

A share of Sw.Frs.60m. of the new bonds, which have a maturity of up to 16 years, will be offered to the public at 100.5 per cent by a banking consortium headed by Credit Suisse, the other Sw.Frs.10m. to be reserved by the airline for "special purposes."

At the same time, the Swiss nuclear power station company Kernkraftwerk Leibstadt announces the issue of Sw.Frs.100m. of bonds from Thursday until January 18. The coupon for the 15-year bond will be 4 1/2 per cent and the balance of the money also led by Credit Suisse, will offer the bonds at par.

Proceeds will go towards financing the Leibstadt power station, currently under construction. Last year, Kernkraftwerk Leibstadt raised Sw.Frs.360m. by four separate bond issues.

THE WIENERWALD restaurant and hotel concern, whose international headquarters are located at Feusisberg, Switzerland, estimates 1977 turnover to have expanded by 19 per cent to about DM716m. For 1978, turnover is expected to rise to at least DM800m.

The rapid growth anticipated for 1978 is attributed both to the success of the Wienerwald franchising system and to the opening of new premises. In 1978 some 100 new premises are to be opened.

Israel Land makes good headway

By L. Daniel

TEL AVIV, Jan. 9.

ISRAEL LAND Development Company—one of the country's leading land developers—has sold four prominent hotels and managed several others, had a consolidated income of just over \$7m. in the year ended June 30, 1977 (of which \$6 per cent was derived from hotel operations) representing an increase of 39 per cent on the preceding year.

Net earnings after tax, including capital gains, however, showed little change as capital gains were smaller than in the preceding year, and amounted to \$200,000. The company's share capital during the year by a rights issue to \$2,125,000.

Bank Leumi trusts' assets

ASSETS of the nine trust funds operated by the Bank Leumi

group rose by 63 per cent in 1977 to the equivalent of \$27m. This rate of increase compares with a rise of 43.6 per cent in the consumer price index. Management has already declared dividends in respect of two trusts for fiscal 1977—"Zamid," a net 25 per cent after tax as against 20 per cent in 1976; "Gavish"—30 per cent after tax, against 20 per cent in the preceding year. Final dividends will be paid after January 31, 1978, of 13 per cent before tax to holders of Zamid certificates (10 per cent previously). The total of dividends to be distributed by the two funds will come to just over \$5m., or about 20 per cent of profits. According to past experience, the post-energy crisis economy of Israel is likely to be re-invested in one of the bank's trusts.

CANADIAN STEEL INDUSTRY

Cape Breton still pending

AFTER A year of lay-offs and employment caused by the world steel crisis, the provincially owned Nova Scotia Steel Corporation of Sydney, Nova Scotia, could be heading for better times.

The company, which has been the subject of a probe by the steel industry study group Cansteel, for more than two years, is now a pick up in orders recently, notably in rail orders from Venezuela.

Sysco's "Greenfields" plant in Cape Breton may have been deferred until the mid-eighties but the company is not too disheartened.

Sysco is the provincial crown corporation set up a decade ago when the Hawker Siddeler group, the U.K. sold off nearly all its Quebec and Nova Scotia steel assets, saying it had not the resources to handle the plant's modernisation and development.

The Federal Government, through the Department of Regional Expansion has now taken through with nearly \$20m. in grants to handle the plant's modernisation and development.

The plant, which produces steel for the pulp and paper industry, is a world class plant of 2.5m. tons a year. It is the largest plant of its kind in the world.

The plant is a world class plant of 2.5m. tons a year. It is the largest plant of its kind in the world.

employment (under 2,000) for the next few years until broad decisions can be taken on its future. A further \$15m. of Federal funds will go to continuing studies on re-location and future markets.

Mr. Robt Hindson, managing director of Cansteel, which has now completed the overall study of basic steel would be four years at least.

Mr. Hindson argues that Cape Breton has the deepwater sea access for raw materials and products, iron-ore 450 miles away in Labrador, coking coal nearby, with limestone, skilled workforce available, and short shipping distance to Europe and the U.S.

Owing to rising population and industrialisation, the Cansteel Steel study group expects a sharp recovery in world steel demand by the middle of the next decade writes ROBERT GIBBENS from Montreal. Again this background a new project at Cape Breton is expected to have a chance of eventually succeeding once the present world crisis has blown over.

of the Greenfields plant to replace Sysco's existing Cape Breton operation, looks to the mid-eighties for a resurgence of activity in the Cape Breton steel industry.

The Cansteel study concluded that no new plant project can go ahead now because of the state of the world steel market, even though construction lead times are closed down. The post-energy crisis economy of steelmaking and of transportation of raw materials and products are undergoing permanent changes which make old plant sites more and more necessary.

Because of the huge capital sums required to instal new eff-

cient capacity at higher and higher economic scale, the newer plants to meet the rising demand of the mid-80s will have consortium ownership.

The Cansteel study for Cape Breton was funded partly by the Nova Scotia and Federal Governments, but mainly by the partners in the company, SYSCO, Dominion Foundries and Steel, Hamilton, Hoogovens-Hoesch and Thyssen of Europe, and National Steel of the U.S. These companies also contributed expert technical and marketing input.

Mr. Hindson is convinced that with rising population and industrialisation, steel demand will rise sharply by the mid-eighties, and because of the long hiatus in bringing in new capacity and the forced closdown in old plants, shortages will appear and prices will start to rise again.

He believes that with a consortium approach, the Cansteel project has an excellent chance of moving ahead once the present steel industry crisis is over. His arguments are based strictly on economics in relation to future markets. Ottawa says the \$20m. now being made available for Sysco at Sydney in no way affects the long-term prospects of Cansteel, which will be judged on its own merits.

All these securities having been sold, this announcement appears as a matter of record only.

FFI

Finance for Industry Limited
(Incorporated in England under the Companies Acts 1948 to 1967)

£20,000,000

9 3/4 per cent. Sterling/U.S. dollar payable Bonds 1987

S. G. Warburg & Co. Ltd.

Salomon Brothers International Limited	Swiss Bank Corporation (Overseas) Limited
Westdeutsche Landesbank Girozentrale	Lloyds Bank International Limited
Barclays Bank International Limited	National Westminster Bank Group
Midland Bank Group	The Royal Bank of Scotland Limited
Algemene Bank Nederland N.V.	A. E. Ames & Co. Limited
Arnhold & S. Bleichroeder, Inc.	Bache Halsey Stuart Shields
Banca Nazionale del Lavoro	Bank of America International Limited
Bank Gutzwiller, Kurz, Buegener (Overseas) Limited	Bank Leu International Ltd.
The Bank of Tokyo (Holland) N.V.	Bank Mees & Hoep NV
Banque de l'Indochine et de Suez	Banque Bruxelles Lambert S.A.
Banque Nationale de Paris	Banque Internationale a Luxembourg S.A.
Banque Populaire Suisse SA	Banque de Neufchatel, Schlumberger, Mallet
Baring Brothers & Co., Limited	Banque de l'Union Europeenne
Berger Bank	Bayerische Landesbank
Caisse des Depots et Consignations	Bayerische Vereinsbank
Citicorp International Group	James Capel & Co.
Compagnie Monégasque de Banque	Clydesdale Bank Limited
Crédit Industriel d'Alsace et de Lorraine	Commerzbank Aktiengesellschaft
Creditanstalt-Bankverein	Continental Illinois Limited
Den norske Creditbank	Crédit Lyonnais
Dillon, Read Overseas Corporation	Credito Italiano (Overseas) S.A.
Effectenbank-Warburg	Daiwa Europe N.V.
Goldman Sachs International Corp.	Deutsche Girozentrale
Handelsbank N.V. (Overseas)	Deutsche Kommunalbank
IBJ International Limited	Dresdner Bank Aktiengesellschaft
Kidder, Peabody International Limited	Euromobiliare S.p.A.
Kuhn, Loeb & Co. International Limited	Groupement des Banquiers Privés Genevois
Lehman Brothers International Limited	Hill Samuel & Co. Limited
Manufacturers Hanover	Hoare Govett Ltd.
Morgan Grenfell & Co. Limited	Isituto Bancario San Paolo di Torino
Nesbitt, Thomson Limited	Kleinwort, Benson Limited
Norddeutsche Landesbank	Kreditbank N.V.
Österreichische Länderbank	Kreditbank S.A. Luxembourgeoise
Privatbanken	Lazard Brothers & Co., Limited
Skandinaviska Enskilda Banken	Lazard Frères et Cie
Société Générale	McLeod, Young, Weir International Limited
Strass, Turnbull & Co.	Messal & Co. Limited
J. Vontobel & Co.	Nederlandsche Middenstandsbank N.V.
Williams, Glyn & Co.	Nomura Europe N.V.
	Orion Bank Limited
	Postbank
	Rea Brothers
	Rothschild Bank AG
	N. M. Rothschild & Sons Limited
	J. Henry Schroder Waggy & Co. Limited
	Smith Barney, Harris Upham & Co. Incorporated
	Société Bancaire Barclays (Suisse) S.A.
	Société Générale de Banque S.A.
	Société Ségnaise de Banque
	Sparbankens Bank Aktiengesellschaft
	Svenska Handelsbanken
	Union Bank of Switzerland (Securities) Limited
	Vereins- und Westbank Aktiengesellschaft
	Warburg Paribas Becker Incorporated
	Yamaichi International (Europe) Limited

Dollar steadier

NEW YORK Jan. 9

YEN

Trade-weighted average change in YEN rate (in percentage) against 14 other currencies

Month	YEN Rate (%)
AUG 1977	165
SEP 1977	165
OCT 1977	210
NOV 1977	300
DEC 1977	285
JAN 1978	290

	Jan. 8	Jan. 9
Field Station (to fine curve)		
Chase	\$170.8-171	\$168.8-170
Chase	\$169.8-168	\$168.8-169
Moonlight	\$168.8-69	\$168.8-69
Afternoon	\$170.8-80	\$168.8-80
	(\$168.8-80)	(\$168.8-80)
Gold Coin		
domestically		
Kruggerand	\$168.8-170	\$170.8-171
	(\$170.8-171)	(\$170.8-171)
New York	\$61.1-53.4	\$61.1-53.4
	(\$61.1-53.4)	(\$61.1-53.4)
OM Silver	\$61.1-53.4	\$61.1-53.4
	(\$61.1-53.4)	(\$61.1-53.4)
Gold Coins		
(Internat'l)		
Kruggerand	\$170.8-171	\$170.8-171
	(\$170.8-171)	(\$170.8-171)
New York	\$61.1-53.4	\$61.1-53.4
	(\$61.1-53.4)	(\$61.1-53.4)
New York	\$61.1-53.4	\$61.1-53.4
	(\$61.1-53.4)	(\$61.1-53.4)
220 Margins	\$168.8-80	\$168.8-80
	(\$168.8-80)	(\$168.8-80)

Jan. 9	Motor 2	Har's Signed	Time
New York	8	1,200.0-1.274	1,518.5-1.578
Montreal	7 1/2	2,000.0-2.110	2,108.0-2.108
Amsterdam	10	1,000.0-1.000	1,000.0-1.000
London	10	62.40-4.14	68.00-5.00
Capenhagen	8	11.75-11.75	11.75-11.75
Frankfurt	4	4.00-4.14	4.11-4.12
Leban	12	77.00-7.30	77.10-7.30
Madrid	6	154.75-155.75	154.15-155.25
St. Alban	11 1/2	1,000.0-1.001	1,037.12-1.037
Paris	9 1/2	9.04-9.10	9.05-9.10
Stockholm	8	5.00-5.07	5.04-5.06 1/2
Tokyo	4 1/2	408-475	422-404
Vienna	10	25.25-25.26	25.25-25.26
Zurich	10	5.00-5.31	5.20-5.17

Notes Rates			
Argentina	1166.50-1168.5	Argentina	1100 1200
Australia	1.6776-1.6947	Austria	29.50 30
Bahamas	26.92-26.93	Belgium	33 34
Bahamas	7.79-7.77	Brazil	33 35
Belize	6.95-6.93	Bulgaria	2.00 2.10
Bhutan	8.85-8.90	Denmark	1.65-1.61
Bolivia	190-193	France	9.95-9.75
Burkina Faso	8.520-8.542	Germany	3.57-4.12
Burundi	32.45-32.58	Greece	76-90
Cameroon	4.540-4.555	Italy	1876-1782
Cape Verde	2.50-2.51	Japan	100 100
Chad	4.550-4.563	Netherl	455-460
Chile	4.450-4.510	Norway	3.35-3.30
Cote d'Ivoire	1.6326-1.6761	Portugal	65-64
Cuba		Spain	164-165
Czech Rep.		Switzerland	838-835
Dominican Rep.		U.S.	1.00-1.02

Sterling fared better than most, for although it gave up 1½c to the dollar, its 20¢ weekly index, published by the Bank of England against 20 other currencies, improved to 65.3 over 65.3 at the previous close. The pound finished at \$1.9165-1.9185 in terms of the dollar compared with 1.9160-1.9180 on Dec. 15.		CURRENCY RATES	
		Special Discount Rate January 8	European Unit January 8
Sterling	0.689-150	0.63717	
U.S. dollar at	1.90871	1.12325	
Canadian	1.33333	1.35300	
Australian	0.68000	0.63717	
Belgian franc	40.12140	40.33424	
Dutch guilder	1.01048	7.12377	
French franc	20.48333	20.48333	
Dutch guilder	2.77654	2.79308	
West German	5.71857	5.74382	
Italian unit	20.48333	20.48333	
Swedish krona	291.601	282.500	
Norway krona	3.61713	3.62944	
Spanish peseta	97.65284	98.51111	
Portuguese escudo	200.48333	200.48333	
Swiss franc	2.45083	2.45328	

[illegible]

Jan. 9	Price	+ or -	Div. Yld.
	Crus.	Crus.	%
Vesta	1.55	-0.55	12.00
Janco Metals UF	4.18	-0.55	12.15
Wago Minerals UF	1.94	-0.44	12.15
Dome UF	0.96	-0.12	14.25
Louis Amer. UF	3.44	+0.04	12.00
Manne-man UF	2.57	+0.17	12.00
Petroleum UF	2.84	+0.13	10.50
Warren UF	1.20	-0.06	8.00
Crus. Crude Oil	3.50	-0.07	12.00
Waco Nat. Oil & Fld	1.63	-0.12	7.50

Vol Cr 156 3/4m Shares 2 1/2m
 Specimen Rfr to January 9th

Deutsche Gold.....	99	-0.5	10	10.1
Deutsche Bank.....	61.5	-1.5	4	60.0
RediBank.....	114	+1	11	115
Bankom.....	300	-25	20	275
RediBank.....	113	+1	11	114
Bank Hypothek.....	121	-1.5	12	119.5
Bankom.....	90.0		9	90.0

JOHANNESBURG

MINES

		Rand	+/-
Jan. 9		3.33	+0
Anglo American Corp.	3.33	+0	
Charter Consolidated	3.33	+0	
East Driefontein	2.98	+0	
East Rand	2.98	+0	
Gold Reef	2.98	+0	
Gold Reef	2.98	+0	

South Vaid	9.35	+0.1
Cold Fields SA	19.51	
Union Corporation	4.97	+0.1
De Beers Deferred	5.65	-0.1
Blyvooruitzicht	6.80	
East Rand Pty.	5.23	+0.1
Free State Gold	25.50	
President Brand	14.50	-0.1
President Steyn	16.00	
St/Alfonsein	4.75	+0.1
Welkom	4.15	
West Driefontein	34.00	
Western Holdings	123.70	-0.1
Western Deep	112.00	-0.1

INDUSTRIALS

Currie Finance	.....	0.50
De Beers Industrial	.....	15.00
Edgars Consolidated Inv.	.....	12.00
Edgars Stores	.....	120.00
Ever Ready SA	.....	1.75
Federale Volksbelegings	.....	1.50
Greutermaans Stores	.....	72.40
Guardian Assurance (SA)	.....	1.75
Hailets	.....	2.25
LTA	.....	11.70
McCarthy Roadway	.....	0.50
MedBank	.....	2.50
OK Bazaars	.....	10.50
Premer Mills	.....	15.25
Pretoria Cement	.....	10.40
Protea Holdings	.....	1.85

C. G. Smith Sugar	4.70	+4
Sure	10.31	+4
SA Breweries	1.22	+4
Tiger Oats and Mal. Mfg.	9.98	+4
Unicel	1.15	+4
Securities Rand Discount	34	+4

SPAIN ♥

January 5	Per cent.	+ 8
Asland	100.58	- 3
Banco Bilbao	278	-
Banco Atlantico (7,000)	250	-
Banco Central	250	-
Banco Exterior	234	- 2

Raceo (1,000)	204	+ 2
Raceo Popslar	204	—
Raceo Sanderud (1,337)	203	+ 1
Raceo Ureuzio (1,000)	204	- 4
Ranceo Vitzcas	219	- 1
Ranceo Zarasagane	270	—
Randrea	157	—
Ranias Andraiclar	266	—
Rarbeck Wdacz	33	- 3
RTC	126	—
Drasagoe	225	+ 2
Drasagoe	225	- 3
R. S. Arasagoe	31.50	+ 5
Raplania Zinc	182	—
Raplan Rite Time	185.75	+ 1
Rasca (1,000)	27.50	+ 8
Rasca (1,000)	72	—

Papelera Reunidas	66	+1
Petrolifer	142	+1
Petróleo	126	+1
Papier Papeterie	74	+1
Spiegel	36	+1
Spiegel	142	+1
Telefonica	81	+1
Torres Rostochi	119	+1
Wissner	97	+1
Wissner Elec.	64.25	+1

OTHER MARKETS

EXCHANGE CROSS-RATES

	Jan. 9	Frankfurt	New York	Paris	Bonnels	London	Ams't'rd'm	Zurich
Frankfurt	---	---	2,1476-80	48,20-80	6,843-48	4,122-152	65,35-45	108,00
New York	48,60-64	---	---	21,18-14	1,532-75	1,9193-9170	43,60-70	74,60
Paris	22,00-14,64	4,728-740	---	---	14,535-75	9,936-108	200,676-67	234,01
Bonnels	18,45-80	33,32-37	---	7,03-64	---	---	---	14,62
London	0,11-12	1,9193-91	0,009-07	---	65,45-85	65,73-90	14,44-80	3,26
Ams't'rd'm	107,055-106,2397	2,022	8,828-876	9,916-922	4,305-414	---	---	113,59
Zurich	33,89-94	2,015-017	48,677	9,015,958-0375	5,709-101	87,657	88,6	---

U.S. \$ in Toronto U.S. \$ = 100,75-82 Canadian cent
 Canadian \$ in Toronto U.S. \$ = 82,95-94 cents
 Sterling in London 1680,70-1685,0

EURO-CURRENCY INTEREST RATES*

	Jan. 9	Sterling	Canadian Dollar	U.S. Dollar	Dutch Guilder	Swiss Franc	Westmark
3 month term	6 5/8-6 1/4	6 7/8	6 7/8-7 1/4	5 1/4-5 1/2	5 1/2-5 3/4	9 1/2-10	2 1/2-3 1/4
6 month term	6 1/2-6 3/4	6 7/8	6 7/8-7 1/4	5 1/4-5 1/2	5 1/2-5 3/4	9 1/2-10	2 1/2-3 1/4
1 year	6 1/2-6 3/4	6 7/8	6 7/8-7 1/4	5 1/4-5 1/2	5 1/2-5 3/4	9 1/2-10	2 1/2-3 1/4
Three months	6 1/2-6 3/4	6 7/8-7 1/4	7 1/4-7 1/2	5 1/4-5 1/2	5 1/2-5 3/4	9 1/2-10	2 1/2-3 1/4
6 months	6 1/2-6 3/4	6 7/8-7 1/4	7 1/4-7 1/2	5 1/4-5 1/2	5 1/2-5 3/4	9 1/2-10	2 1/2-3 1/4
One year	7 1/8-7 3/4	7 1/4-7 1/2	7 1/4-7 1/2	5 1/4-5 1/2	5 1/2-5 3/4	9 1/2-10	2 1/2-3 1/4

	One month	Three month
New York	0.68-0.18 . dia	1.58-0.46 . dia
Montreal	0.15-0.15 c. dia	1.50-0.40 c. dia
Amst'dam	34 c. 15-14 c. dia	13 1/2 - 14 . p.m.
Brussels	15 . 15 . c. dia	25 1/2 - 26 c. dia
		26 3/4 - 27 .

OTHER MARKETS

one-month 10-14 1/2 per cent;	three-month 12-14 1/2 per cent.	six-month 12-14 1/2 per cent.
one year 12-15 1/2 per cent.		
Londoners' Euro-dollar deposits: two years 71-84 per cent; three years 71-83 per cent; four years 54-61 per cent; five years 48-61 per cent.		
The following nominal rates were quoted for London dollar certificates of deposit: six-month 7.05-7.10 per cent; three-month 7.20-7.30 per cent; six-month 7.45-7.55 per cent; one-year 7.55-7.75 per cent.		
*Rates are nominal discount rates.		
Short-term rates are call for sterling, U.S. dollars and Canadian dollars; three days' notice for goldiers and Swiss francs.		

BRAZIL			
Jan. 9	Price Cruc	+ or -	Dir. Val Cruc
1. 25	2. 25		

OTHER MARKETS

[illegible]

Deutsche Gold.....	99	-0.5	10	10.1
Deutsche Silber.....	61.5	-1.5	4	60.0
RediBank.....	114	+1	11	115
Deutsche Bank.....	300	-25	20	275
Deutsche Kredit.....	113	+1	11	114
Deutsche Hypothek.....	121	-1.5	12	119.5
Deutsche Handel.....	90.0		9	90.0

JOHANNESBURG

MINES

		Rand	+/-
Jan. 9			
Anglo American Corp.	533		+8
Charter Consolidated	3.53		+12
East Driefontein	2.98		+7
East Rand	2.32		+4
Gold Reef	2.32		+1

South Vast	9.35	+0.1
Cold Fields SA	19.51	
Union Corporation	4.97	+0.1
De Beters Deferred	5.65	-0.1
Blyvooruitzicht	6.80	
East Rand Pty.	5.23	+0.1
Free State Gold	25.50	
President Brand	14.50	-0.1
President Steyn	16.00	
St/Alrostein	4.75	+0.1
Welkom	4.15	
West Driefontein	34.00	
Western Holdings	123.70	-0.1
Western Deep	112.00	-0.1

INDUSTRIALS

Currie Finance	.....	0.50
De Beers Industrial	.....	15.00
Edgars Consolidated Inv.	.....	12.00
Edgars Stores	.....	120.00
Ever Ready SA	.....	1.75
Federale Volksbelegings	.....	1.50
Greutermaans Stores	.....	72.40
Guardian Assurance (SA)	.....	1.75
Hailets	.....	2.25
LTA	.....	11.70
McCarthy Roadway	.....	0.50
MedBank	.....	2.50
OK Bazaars	.....	10.50
Premer Mills	.....	15.25
Pretoria Cement	.....	10.40
Protea Holdings	.....	1.85

C. G. Smith Sugar	4.70	+4
Sure	10.31	+4
SA Breweries	1.22	+1
Tiger Oats and Mal. Mfg.	9.98	+6
Unicel	1.15	+1
Securities Rand Discount	34	+4

SPAIN ♥

	Per cent.	
Asland	100.58	+3
Banco Bilbao	278	-
Banco Atlantico (7,000)	250	-
Banco Central	250	-
Banco Exterior	234	-2

Raceo (1,000)	204	+ 2
Raceo Popslar	204	—
Raceo Sanderud (1,337)	203	+ 1
Raceo Ureuzio (1,000)	204	- 4
Ranceo Vitzcas	219	- 1
Ranceo Zarasagane	270	—
Randrea	157	—
Ranias Andraiclar	266	—
Rarbeck Wdacz	33	- 3
RTC	126	—
Drasagoe	225	+ 2
Drasagoe	225	- 3
R. S. Arasagoe	31.50	+ 5
Raplania Zinc	182	—
Raplan Rite Time	185.75	+ 1
Rasca (1,000)	27.50	+ 8
Rasca (1,000)	72	—

Papelera Reunidas	66	+1
Petrolifer	142	+1
Petróleo	126	+1
Papelera	74	+1
Snape	36	+1
Reunidas	142	+1
Telefónica	81	+1
Torras Rostopchi	119	+1
Finissec	99	+1
Union Elec.	64.25	+1

STOCK EXCHANGE REPORT

Turndown in Gilt on announcement of new tap issue

Share index loses 5.6 at 491.7 on reluctance of buyers

Account Dealing Dates
Option
First Declared Last Account
Dealings Date Dealings Day
Dec 12 Dec 20 Dec 30 Jan 11
Jan 12 Jan 13 Jan 24 Jan 25
Jan 26 Jan 27 Feb 7
*New time "dealings may take place
from 10 a.m. to 2 p.m. on business days
except on the last day of the month.
Stock markets yesterday were
notable chiefly for a sharp turn-
down in British Funds in the late
trade and a continuing selective
demand for secondaries.
The changed sentiment in gilt
followed the quite unexpected
announcement that £200m. of 10 1/2
per cent. Exchequer 1995 is to be
issued on Thursday at a price of
95.53 being payable on application.

In official trading, quotations
had progressed by up to 3 on
hopes of another early fall in
short-term money rates and in
the absence of a tap stock
announcement last Friday, the
usual day for such proclamations.
During the inter-office business,
however, there was a turnaround
of a point and more with quotations
settling about 1 down on balance
on a general marking down.

The Government Securities
Index, 0.70 off in the previous
three business days, managed to
harden a shade to 77.99 owing to
an unrepresentative rise of 0.10
in Treasury 3 1/2 per cent. 1975-81.
Other short-dated stocks were
barely changed on balance after
a relatively small trade.

Firmness in second-line
equities usually continued on those
markets in the week-end Press
and on the current speculative
favourites. The leaders tended to
drift lower in the absence of support
with the continued weakness on
Wall Street undermining sentiment.

The FT 30-share index was 4.3
off at 11 a.m. and later traded at
around three points down but
prices were lowered further in
the late trading. The closing
index, 491.7, represented a fall
of 5.6 after last week's gain of
11.9. Business was usually for
small parcels of stock although
official markets, at 6.88, were
at their highest for nearly four
months.

The broad-based FT-Actuaries
share indices were generally a
shade lower, with rises and falls
in FT-quoted equities were fairly
evenly matched. A feature through-
out the day was the large
number of overseas-based issues,
mainly Americans, which recorded
new 1977-78 lows.

Late setback in Gilt

The market in British Funds
was routed by the announcement
of the new long tap issue and
surrendered gains, approaching 1
at one stage, to be much more
lower on balance in dealings
after the official close. Longer
maturities had led the upturn
with business mainly revolving
round Treasury 10 1/2 per cent. 1999

and Exchequer 10 1/2 per cent. 1997,
the two situation stocks. Yield
attractions were the basic stimu-
lant in view of possible further
fall in interest rate levels, yes-
terday's easier trend in sterling
against the dollar being dis-
regarded as a market influence.
A Bank balanced early trade in
share indices brought a slight re-
action from the highest quotation,
but the main fall came
when business resumed after the
usual adjournment to assess a
new tap issue. A certain amount
of stock was offered despite pro-
spective marking down by dealers.
Short-dated stocks, however, rose
extending to 1 at the best, pared
and often erased in the after-
hours trading. The exception was
Treasury 3 1/2 per cent. 1975-81
which, in clean form, encouraged
scattered demand and rose 0.10.
Corporations passed a quiet
session but displayed sporadic
improvements ranging to 1.

A Bank balanced early trade in
investment currency made little
impact on the premium which
traded between 69 and 69 1/2
per cent. for much of the day until
easing to 68 1/2 in the effect of
sterling and closing a net 1
lower at 68 1/2 per cent. Yesterday's
SE conversion factor was 0.8013
(0.8099).

FNFC firm

After last Friday's late reaction
which followed news of the base
rate reductions, the major clearing
banks became steadier. Mid-
land, the last to come into line
yesterday, closed unaltered at
385p. Elsewhere, Bank of Ireland
put on 3 to 383p and the 10 per
cent. debenture, improved 3
points to £164. Ahead of Friday's
preliminary results, First National
Finance Corporation issues found
support, the Ordinary improving
4 to 21p and the Warrants a frac-
tion to 10, while the 9 1/2 per cent.
Convertible 1982 moved up 5
points to £21.

Insurances moved lower with
Rays 3 down to 420p and
General Accident 4 cheaper at
245p. Hogg Robinson eased 2 to
174p in response to the interim
results.

Breweries had a quieter session.
Scottish and Newcastle were
marginally harder at 89p in front
of Thursday's interim figures,
while Press comment lifted
Watlington 2 to 142p and
Matthew Brown 4 to 110p.
Barnet Wood continued firmly,
rising 3 to 160p for a two-day
gain of 15.

A lively trade developed in
selected Buildings where senti-
ment was assisted by hopes of
an imminent reduction in mort-
gage rates. Press comment drew
buyers' attention to Armitage
Shanks, which touched 77p before
closing 3 1/2 higher at 73 1/2p, while
at one stage, to be much more
lower on balance in dealings
after the official close. Longer
maturities had led the upturn
with business mainly revolving
round Treasury 10 1/2 per cent. 1999

while improvements of 6 were
recorded in Nottingham Brick,
215p, Parker Timber, 110p, Aber-
thaw Cement, 156p, and Pochins,
80p. In front of today's pre-
liminary results, SGB closed un-
altered at 132p.

Chemicals leaders drifted lower
on the news of a 10 to 15p
347p and Fisons 3 to 375p.
Elsewhere, British Tar improved
3 to 60p.

Excalibur better

Secondary Stores encountered a
brisk demand and often closed
higher for choice. Excalibur
Jewellery, at 20p, recorded a
Press-inspired rise of 2 1/2, while
132p. In contrast, Tubes eased 4

to 392p and falls of a few pence
were seen in J. Brown, 235p, and
GKN, 270p. Country buying
prompted a rise of 5 to 80p in
Ratcliffe Industries, while Brown
and Tawse at 88p put on a simi-
lar amount in response to the
half-yearly results and encourag-
ing statement. Gains of 5 were
also recorded in ACE Machinery,
110p, and Parter Chadburn, 110p.
Fresh buying interest was seen
in Manganese Bronze, 89p, and
Wolsey-Hughes, 189p, up 3
each.

Shoes were highlighted by K
which rose 8 to 60p in response
to an investment recommendation.
Lambert Howarth hardened 2 to
40p.

Thorn held up reasonably well
before drifting off in the late
dealings to end at 386p, down 8.
The interim results are due on
Friday. Minor losses in other
Electrical leaders included GEC,
2 cheaper at 274p, and EMI, 2
lower at 184p. The focal
point in Engineering, opening
higher at 197p following week-
end Press comment about pos-
sible compensation terms and
settling a net 6 up at 194p, after

following favourable Press men-
tion. United Spring firmed a
penny to 23p after the annual
statement, but the lower half-
yearly profits lowered Leys Foun-
dries a penny to 59p.
Foods had the occasional firm
spot. W. J. Pyke moved up 3 to
34p on the return to profitability
and the dividend list, while
J. B. B. responded to Press com-
ment with rise of 8 to 197p.
K 1978 peak of 208p. Small buying
in thin markets led to a rise
of 5 to 25p in G. F. Lovell and
an advance of 15 to 45p in
British Sugar. Robertson Foods,
a firm market of late on bid
hopes, lost another 5 at 135p,
after 133p, while J. Sainsbury, at
202p, gave up 5 of Friday's gain
of 9.

Wilson Walton good

Leisure and General featured
Hotels and Caterers with a rise
of 7 to 88p on the revised offer
from Ladbrokes; the latter firm-
ed 3 cheaper at 207p. Norfolk
Capital edged up 2 to 27p in
front of today's preliminary re-
sults, but Trust Houses Forte
eased 3 to 194p. Following ad-
verse Press comment on the bid
situation, Ponds declined 4 to
52p in sympathy with a fall of
6 to 125p in Coral Leisure.

Firm features were plentiful
among secondary industrials, other
than Bank, Century were dull at
Week-end Press comment induced
5p, down 3.

a fair number of these including
Wilson Walton, which moved up
8 in active trading to 79p. Sainsbury
Services was 5 at 31p, after 33p,
and Rockware, similarly dearer at
145p. Other Press-inspired im-
provements of 4 were seen in ICL,
Marriott and Rockware, similarly dearer at
145p. A report that the
company had last week booked a
record 4,000 overseas holidays in
one day helped Horizon Midlands
put on 4 more to 92p, while Davies
and Newman, the Dan-Air concern,
gained a like amount to 126p.
Hopes of good business at the
forthcoming Top Fairs at
Margate and Peterborough aided
Berwick Tumble to improve 3 to 32p
and Dumbea Comex 4 to 144p.
Following the recommended cash
offer of 35p per share from United
Medical Enterprises, dealings
were resumed in Allied Invest-
ments, which closed at 51p, after
52p, compared with the suspen-
sion price of 47p. Wood and Sons
added 4 at 26p and F. Austin
(Leighton) hardened 2 1/2 to 131p.
Hestair, however, shed 4 to 110p,
after 108p, following adverse com-
ment and RPI eased a penny to
70p on the profits standstill.
Details of redundancies brought
about by the Peterborough strike
left Lesney Products 2 off at 61p.
Rochem lost 10 to 367p, while
the leaders where Unilever gave
up 8 to 335p and Rank Organisa-
tion 2 to 235p.

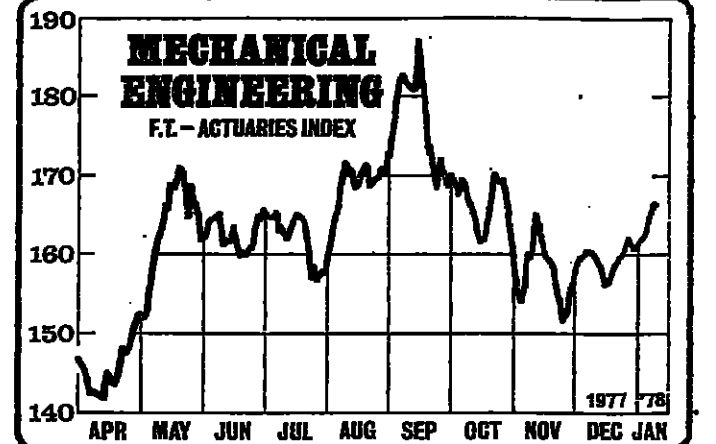
Motors and Distributors rarely
strayed from Wilson's levels.
Associated Engineering, eased 1 1/2
to 121p, while Lucas Industries,
284p, and Dunlop, 88p, shed 2
apiece. Oliver Rix, however,
hardened 1 to a 1977-78 peak of
31p in response to the chairman's
statement.

Leading Properties failed to
benefit further from last Friday's
reduction in interest rates, but
secondary issues recorded some
fresh useful gains. Haslemere
put on 5 to 285p and United Real
7 to 267p, while Rush and Tom-
kins put on 4 more to 115p in
response to recent news of the
sale of its Sevenoaks industrial
estate for £3.5m. McKay Securities
were marked up 20 to 165p in
an attempt to find stock and, still
reflecting Press mention, Clarke
Nichols rose 3 more to 150p.

Among smaller-priced issues,
Marler Estates were noteworthy
for a rise of 3 1/2 to 17p, but
Carding, a good market of late,
eased back 1 1/2 to 15p.

British Petroleum were a rela-
tively quiet market and moved
within a narrow limit before
easing late in sympathy with open-
ing Wall Street dullness to finish
at 886p, down 6. Shell drifted 5
lower to 322p, while overseas
influences left Royal Dutch 1
cheaper at £35. Elsewhere in Oils,
fresh small speculative interest
was shown in Siebens (U.K.),
which rose 1 1/2 to 150p, while
continued demand in a limited
market left Clyde Petro-
leum up 4 more to 142p. On the
other hand, Century were dull at
Week-end Press comment induced
5p, down 3.

Among otherwise steady
London-registered Financials
Gold recovered strongly in late
trading to close unchanged on
balance at 185p after 180p.
Foreign currencies were weak in
a generally easier Australian
section. The overnight decline in
Sydney and Melbourne markets
left Pangecontinental 7 1/2 off at 87p
and Peko-Wallasey 15 lower at
89p. In the United States, the
resumed in Pabang Consolidated;
the shares were quoted at 40p
compared with the June 1976
price at suspension of 27p.



Investment Trusts closed with
widespread losses following small
pencil selling. Guardian Invest-
ment recorded a 4 to 73p, while
Rothschild, 171p, and Alliance
Trust, 212p, lost 5 apiece. North
American eased 3 to 92p as did
London and Montrose to 174p. In
Financials, London Merchant rose
to 97p before settling 2 better on
the day at 95p.

After opening substantially
higher at 345p following support
late on Friday, Furness Withy
marked time and closed 9 better
on the day at 343p. Other
Shipping traded quietly at
cheaper levels which were estab-
lished at the outset following
adverse week-end Press comment.
P and O Deferred reacted 4 to
113p, while Reederei Smith & A
eased 2 to 41p; the latter's interim
figures are expected to gain.
Textiles were again better for
choice. Carrington, Virelle
hardened 1 1/2 to 401p, while RKT,
67p, and Parkland & 72p put on
4 apiece. Courtaulds, however,
eased 3 to 115p with other equity
leaders.

Gold Fields Properties improved
12 to 90p in South Africans fol-
lowing Cape support.

De Beers weakened
De Beers featured in an other-
wise subdued mining section with
the share losing considerable
ground in late trading to close
at 30p, down 10, after 40p, and
being 30p in the early afternoon.
In front of the Central Selling
Organisation's 1977 diamond sales
figure, which is reported to be
Mining News report today.

South Africa-dominated Finan-
cial Gold Fields group, The
Gold Mines index showed a 0.3
improvement at 154.3.
Continuing hopes of a political
settlement led to further buying
of Rhodesian shares although business
was on a smaller scale than on
Friday. Nevertheless, Falcon
Mines advanced 15 more to 183p,
a two-day gain of 20 and
Wankle Colliery were another 2
better at 41p, after 39p.

Among otherwise steady
London-registered Financials
Gold recovered strongly in late
trading to close unchanged on
balance at 185p after 180p.

FINANCIAL TIMES STOCK INDICES

Government Stock	77.09	77.86	78.09	78.36	78.69	78.96	79.29	82.1
Fixed Interest	81.87	81.83	81.19	81.17	81.03	80.79	80.96	82.1
Unfixed Investments	492.7	497.5	494.8	497.8	498.6	499.4	498.3	498.3
Gold Mines	136.9	136.5	130.5	138.3	137.2	135.2	134.2	134.2
Ord. Inv. & Held	8.47	8.41	8.43	8.50	8.58	8.51	8.61	8.61
Earnings % Total	16.92	16.46	16.47	16.78	16.78	16.78	16.78	16.78
P/E Ratio (mkt)	8.53	8.56	8.56	8.56	8.56	8.56	8.56	8.56
Dividends (mkt)	0.066	0.066	0.231	0.247	0.418	0.418	0.418	0.418
Buyers share or Em.		87.95	76.98	69.54	40.00	38.00	37.00	37.00
Equity - bargains total		18,131	15,287	14,715	15,097	11,940	14,78	
Jan. 99	44.4	11.89	49.0	49.0	1.99	49.0		

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Abney Unit Tr. Mgrs. Ltd. (a) (c)	Abney Unit Tr. Mgrs. Ltd. (a) (c)	Abney Unit Tr. Mgrs. Ltd. (a) (c)	Abney Unit Tr. Mgrs. Ltd. (a) (c)
Abney Capital	100.00	100.00	100.00
Abney Income	100.00	100.00	100.00
Abney Growth	100.00	100.00	100.00
Abney Div. P.	100.00	100.00	100.00
Abney Bond	100.00	100.00	100.00
Abney Real Estate	100.00	100.00	100.00
Abney International	100.00	100.00	100.00
Abney Overseas	100.00	100.00	100.00
Abney Hedge	100.00	100.00	100.00
Abney Commodity	100.00	100.00	100.00
Abney Energy	100.00	100.00	100.00
Abney Technology	100.00	100.00	100.00
Abney Healthcare	100.00	100.00	100.00
Abney Financial	100.00	100.00	100.00
Abney Media	100.00	100.00	100.00
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Abney Pharmaceutical	100.00	100.00	100.00
Abney Food	100.00	100.00	100.00
Abney Retail	100.00	100.00	100.00
Abney Services	100.00	100.00	100.00
Abney Transportation	100.00	100.00	100.00
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Abney Industrial	100.00	100.00	100.00
Abney Chemical	100.00	100.00	100.00
Abney Pharmaceutical	100.00	100.00	100.00
Abney Food	100.00	100.00	100.00
Abney Retail	100.00	100.00	100.00
Abney Services	100.00	100.00	100.00
Abney Transportation	100.00	100.00	100.00
Abney Utilities	100.00	100.00	100.00

CLIVE INVESTMENTS LIMITED	CLIVE INVESTMENTS LIMITED	CLIVE INVESTMENTS LIMITED	CLIVE INVESTMENTS LIMITED
Royal Exchange Ave., London EC3V 3LU, Tel. 01-288 1101	Royal Exchange Ave., London EC3V 3LU, Tel. 01-288 1101	Royal Exchange Ave., London EC3V 3LU, Tel. 01-288 1101	Royal Exchange Ave., London EC3V 3LU, Tel. 01-288 1101
Index Guide as at 6th December, 1977 (Base 100 at 14.1.77)	Index Guide as at 6th December, 1977 (Base 100 at 14.1.77)	Index Guide as at 6th December, 1977 (Base 100 at 14.1.77)	Index Guide as at 6th December, 1977 (Base 100 at 14.1.77)
Clive Fixed Interest Capital	135.19	Clive Fixed Interest Capital	135.19
Clive Fixed Interest Income	138.03	Clive Fixed Interest Income	138.03

CORAL INDEX: Close 487.42	CORAL INDEX: Close 487.42	CORAL INDEX: Close 487.42	CORAL INDEX: Close 487.42
Property Growth	48.1%	Property Growth	48.1%
Common Assurance	41%	Common Assurance	41%
Address shown under Insurance and Property Bond Table	Address shown under Insurance and Property Bond Table	Address shown under Insurance and Property Bond Table	Address shown under Insurance and Property Bond Table

Unit Trust Notebook No.14

History of Unit Trusts Part I

The story of unit trusts began in 1868, when a group of five men in the City of London created the first medium of co-operative investment. They described the objectives in words which have been reflected in thousands of prospectuses and brochures since: "To give the investor of moderate means the same advantage as the large capitalists in diminishing the risk... by spreading the investment over a number of different shares."

The Foreign and Colonial Government Trust was a success and was joined by several more trusts. But in 1879 a suit was successfully brought against the trustees of the Government and Guaranteed that the trust was illegal in its present form. Fearing similar injunctions, all but one of the trusts reorganised themselves as companies and became part of the investment trust industry. The remaining unit trust, the Submarine Cables Trust, obtained a judgement the following year which overruled the previous ruling, and this trust remained in existence for a further half century.

The next milestone for the industry was the formation of the first American mutual fund, the Massachusetts Investors, in 1924. The mutual funds, which were "open-ended" and did not permit gearing, proved to be far less vulnerable to the consequences of the Wall Street crash than the "closed ended" investment trusts, and they were used as a model for the first new British unit trust by Mr. Burton Baldry, a London stockbroker, who visited the United States in 1930.

With Lloyds Bank as trustee and Municipal & General Securities (M & G) as managers the first British Fixed Trust was set up in 1931. Others soon became attracted to the field and by the end of 1934 there were nineteen trusts managed by nine management companies. These unit trusts had a broad portfolio of shares, which the management companies were not permitted to change. The nationalisation of many of the "utilities" such as gas and electricity companies, in which most of these trusts were invested, hastened the move towards the "flexible" type of trust.

In 1934, the first flexible trust was formed which gave managers more scope to vary the constitution of the investment portfolio at any time. Since that time there has been no significant change in the basic structure of unit trusts.

Abney Unit Tr. Mgrs. Ltd. (a) (c)	Abney Unit Tr. Mgrs. Ltd. (a) (c)	Abney Unit Tr. Mgrs. Ltd. (a) (c)	Abney Unit Tr. Mgrs. Ltd. (a) (c)
Abney Capital	100.00	100.00	100.00
Abney Income	100.00	100.00	100.00
Abney Growth	100.00	100.00	100.00
Abney Div. P.	100.00	100.00	100.00
Abney Bond	100.00	100.00	100.00
Abney Real Estate	100.00	100.00	100.00
Abney International	100.00	100.00	100.00
Abney Overseas	100.00	100.00	100.00
Abney Hedge	100.00	100.00	100.00
Abney Commodity	100.00	100.00	100.00
Abney Energy	100.00	100.00	100.00
Abney Technology	100.00	100.00	100.00
Abney Healthcare	100.00	100.00	100.00
Abney Financial	100.00	100.00	100.00
Abney Media	100.00	100.00	100.00
Abney Telecommunications	100.00	100.00	100.00
Abney Aerospace	100.00	100.00	100.00
Abney Defense	100.00	100.00	100.00
Abney Industrial	100.00	100.00	100.00
Abney Chemical	100.00	100.00	100.00
Abney Pharmaceutical	100.00	100.00	100.00
Abney Food	100.00	100.00	100.00
Abney Retail	100.00	100.00	100.00
Abney Services	100.00	100.00	100.00
Abney Transportation	100.00	100.00	100.00
Abney Utilities	100.00	100.00	100.00
Abney Energy	100.00	100.00	100.00
Abney Technology	100.00	100.00	100.00
Abney Healthcare	100.00	100.00	100.00
Abney Financial	100.00	100.00	100.00
Abney Media	100.00	100.00	100.00
Abney Telecommunications	100.00	100.00	100.00
Abney Aerospace	100.00	100.00	100.00
Abney Defense	100.00	100.00	100.00
Abney Industrial	100.00	100.00	100.00
Abney Chemical	100.00	100.00	100.00
Abney Pharmaceutical	100.00	100.00	100.00
Abney Food	100.00	100.00	100.00
Abney Retail	100.00	100.00	100.00
Abney Services	100.00	100.00	100.00
Abney Transportation	100.00	100.00	100.00
Abney Utilities	100.00	100.00	100.00

INSURANCE, PROPERTY, BONDS

Abney Life Assurance Co. Ltd. 13 St. Paul's Churchyard, E.C.4. Abney Capital 100.00 Abney Income 100.00 Abney Growth 100.00 Abney Property 100.00 Abney Life 100.00 Abney Health 100.00 Abney Accident 100.00 Abney Sickness 100.00 Abney Old Age 100.00 Abney Death 100.00 Abney Fire 100.00 Abney Theft 100.00 Abney War 100.00 Abney Nuclear 100.00 Abney Terrorism 100.00 Abney Other 100.00 Abney Total 100.00	Abney Life Assurance Co. Ltd. 13 St. Paul's Churchyard, E.C.4. Abney Capital 100.00 Abney Income 100.00 Abney Growth 100.00 Abney Property 100.00 Abney Life 100.00 Abney Health 100.00 Abney Accident 100.00 Abney Sickness 100.00 Abney Old Age 100.00 Abney Death 100.00 Abney Fire 100.00 Abney Theft 100.00 Abney War 100.00 Abney Nuclear 100.00 Abney Terrorism 100.00 Abney Other 100.00 Abney Total 100.00	Abney Life Assurance Co. Ltd. 13 St. Paul's Churchyard, E.C.4. Abney Capital 100.00 Abney Income 100.00 Abney Growth 100.00 Abney Property 100.00 Abney Life 100.00 Abney Health 100.00 Abney Accident 100.00 Abney Sickness 100.00 Abney Old Age 100.00 Abney Death 100.00 Abney Fire 100.00 Abney Theft 100.00 Abney War 100.00 Abney Nuclear 100.00 Abney Terrorism 100.00 Abney Other 100.00 Abney Total 100.00	Abney Life Assurance Co. Ltd. 13 St. Paul's Churchyard, E.C.4. Abney Capital 100.00 Abney Income 100.00 Abney Growth 100.00 Abney Property 100.00 Abney Life 100.00 Abney Health 100.00 Abney Accident 100.00 Abney Sickness 100.00 Abney Old Age 100.00 Abney Death 100.00 Abney Fire 100.00 Abney Theft 100.00 Abney War 100.00 Abney Nuclear 100.00 Abney Terrorism 100.00 Abney Other 100.00 Abney Total 100.00
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FT SHARE INFORMATION SERVICE**HOTELS—Continued**

AMERICANS—Continued

BUILDING INDUSTRY—Cont.

DRAPERY AND STORES—Cont.

ENGINEERING—Continued

INDUSTRIALS

(Miscel.)

****BRITISH FUNDS**

"Shorts" (Lives up to Five Years)			
95%	Treasury 1919-20	102 1/2	4.95
94%	Electric 1919-20	97 1/2	4.95
93%	Industrial 1919-20	97 1/2	4.95
92%	Treasury 1920-21	97 1/2	4.95
91%	Electric 1920-21	97 1/2	4.95
90%	Industrial 1920-21	97 1/2	4.95
89%	Treasury 1921-22	97 1/2	4.95
88%	Electric 1921-22	97 1/2	4.95
87%	Industrial 1921-22	97 1/2	4.95
86%	Treasury 1922-23	97 1/2	4.95
85%	Electric 1922-23	97 1/2	4.95
84%	Industrial 1922-23	97 1/2	4.95
83%	Treasury 1923-24	97 1/2	4.95
82%	Electric 1923-24	97 1/2	4.95
81%	Industrial 1923-24	97 1/2	4.95
80%	Treasury 1924-25	97 1/2	4.95
79%	Electric 1924-25	97 1/2	4.95
78%	Industrial 1924-25	97 1/2	4.95
77%	Treasury 1925-26	97 1/2	4.95
76%	Electric 1925-26	97 1/2	4.95
75%	Industrial 1925-26	97 1/2	4.95
74%	Treasury 1926-27	97 1/2	4.95
73%	Electric 1926-27	97 1/2	4.95
72%	Industrial 1926-27	97 1/2	4.95
71%	Treasury 1927-28	97 1/2	4.95
70%	Electric 1927-28	97 1/2	4.95
69%	Industrial 1927-28	97 1/2	4.95
68%	Treasury 1928-29	97 1/2	4.95
67%	Electric 1928-29	97 1/2	4.95
66%	Industrial 1928-29	97 1/2	4.95
65%	Treasury 1929-30	97 1/2	4.95
64%	Electric 1929-30	97 1/2	4.95
63%	Industrial 1929-30	97 1/2	4.95
62%	Treasury 1930-31	97 1/2	4.95
61%	Electric 1930-31	97 1/2	4.95
60%	Industrial 1930-31	97 1/2	4.95
59%	Treasury 1931-32	97 1/2	4.95
58%	Electric 1931-32	97 1/2	4.95
57%	Industrial 1931-32	97 1/2	4.95
56%	Treasury 1932-33	97 1/2	4.95
55%	Electric 1932-33	97 1/2	4.95
54%	Industrial 1932-33	97 1/2	4.95
53%	Treasury 1933-34	97 1/2	4.95
52%	Electric 1933-34	97 1/2	4.95
51%	Industrial 1933-34	97 1/2	4.95
50%	Treasury 1934-35	97 1/2	4.95
49%	Electric 1934-35	97 1/2	4.95
48%	Industrial 1934-35	97 1/2	4.95
47%	Treasury 1935-36	97 1/2	4.95
46%	Electric 1935-36	97 1/2	4.95
45%	Industrial 1935-36	97 1/2	4.95
44%	Treasury 1936-37	97 1/2	4.95
43%	Electric 1936-37	97 1/2	4.95
42%	Industrial 1936-37	97 1/2	4.95
41%	Treasury 1937-38	97 1/2	4.95
40%	Electric 1937-38	97 1/2	4.95
39%	Industrial 1937-38	97 1/2	4.95
38%	Treasury 1938-39	97 1/2	4.95
37%	Electric 1938-39	97 1/2	4.95
36%	Industrial 1938-39	97 1/2	4.95
35%	Treasury 1939-40	97 1/2	4.95
34%	Electric 1939-40	97 1/2	4.95
33%	Industrial 1939-40	97 1/2	4.95
32%	Treasury 1940-41	97 1/2	4.95
31%	Electric 1940-41	97 1/2	4.95
30%	Industrial 1940-41	97 1/2	4.95
29%	Treasury 1941-42	97 1/2	4.95
28%	Electric 1941-42	97 1/2	4.95
27%	Industrial 1941-42	97 1/2	4.95
26%	Treasury 1942-43	97 1/2	4.95
25%	Electric 1942-43	97 1/2	4.95
24%	Industrial 1942-43	97 1/2	4.95
23%	Treasury 1943-44	97 1/2	4.95
22%	Electric 1943-44	97 1/2	4.95
21%	Industrial 1943-44	97 1/2	4.95
20%	Treasury 1944-45	97 1/2	4.95
19%	Electric 1944-45	97 1/2	4.95
18%	Industrial 1944-45		

Five to Fifteen Years

81%	Drumsey 3pc 783	83%	3.65
72%	Drumsey 12pc 18924	114	10.89
96%	Drumsey 5pc 23	98%	9.35
72%	Drumsey 5pc 63-64	98%	6.16
77%	Drumsey 3pc 94-95	96%	7.84
68%	Drumsey 5pc 100	96%	7.59
69%	Drumsey 5pc 101	83%	8.19
49%	Drumsey 3pc 76-82	67%	4.45
53%	Drumsey 3pc 85-89	74%	6.82
90	Drumsey 1pc 18904	114%	11.57
67	Drumsey 5pc 91-100	86%	9.37
88%	Drumsey 11pc 1901	105%	11.15
53%	Drumsey 5pc 97-912	74%	7.88
94%	Drumsey 5pc 100	111%	10.45
89%	Drumsey 5pc 102	95%	11.45
89%	Drumsey 5pc 97	112%	11.68

Over Fifteen Years

[illegible]

INTERNATIONAL BANK

[illegible]

COMMONWEALTH & AFRICAN LOANS

44	Do. Apr. 75-76	75 7/8	100 1/2	5.75
44	Do. Apr. 76-77	76 1/2	100 1/2	5.85
44	Do. Apr. 77-78	77 1/2	100 1/2	5.95
44	Do. Apr. 78-79	78 1/2	100 1/2	6.05
44	Do. Apr. 79-80	79 1/2	100 1/2	6.15
44	Do. Apr. 80-81	80 1/2	100 1/2	6.25
44	Do. Apr. 81-82	81 1/2	100 1/2	6.35
44	Do. Apr. 82-83	82 1/2	100 1/2	6.45
44	Do. Apr. 83-84	83 1/2	100 1/2	6.55
44	Do. Apr. 84-85	84 1/2	100 1/2	6.65
44	Do. Apr. 85-86	85 1/2	100 1/2	6.75
44	Do. Apr. 86-87	86 1/2	100 1/2	6.85
44	Do. Apr. 87-88	87 1/2	100 1/2	6.95
44	Do. Apr. 88-89	88 1/2	100 1/2	7.05
44	Do. Apr. 89-90	89 1/2	100 1/2	7.15
44	Do. Apr. 90-91	90 1/2	100 1/2	7.25
44	Do. Apr. 91-92	91 1/2	100 1/2	7.35
44	Do. Apr. 92-93	92 1/2	100 1/2	7.45
44	Do. Apr. 93-94	93 1/2	100 1/2	7.55
44	Do. Apr. 94-95	94 1/2	100 1/2	7.65
44	Do. Apr. 95-96	95 1/2	100 1/2	7.75
44	Do. Apr. 96-97	96 1/2	100 1/2	7.85
44	Do. Apr. 97-98	97 1/2	100 1/2	7.95
44	Do. Apr. 98-99	98 1/2	100 1/2	8.05
44	Do. Apr. 99-00	99 1/2	100 1/2	8.15
44	Do. Apr. 00-01	100 1/2	100 1/2	8.25
44	Do. Apr. 01-02	101 1/2	100 1/2	8.35
44	Do. Apr. 02-03	102 1/2	100 1/2	8.45
44	Do. Apr. 03-04	103 1/2	100 1/2	8.55
44	Do. Apr. 04-05	104 1/2	100 1/2	8.65
44	Do. Apr. 05-06	105 1/2	100 1/2	8.75
44	Do. Apr. 06-07	106 1/2	100 1/2	8.85
44	Do. Apr. 07-08	107 1/2	100 1/2	8.95
44	Do. Apr. 08-09	108 1/2	100 1/2	9.05
44	Do. Apr. 09-10	109 1/2	100 1/2	9.15
44	Do. Apr. 10-11	110 1/2	100 1/2	9.25
44	Do. Apr. 11-12	111 1/2	100 1/2	9.35
44	Do. Apr. 12-13	112 1/2	100 1/2	9.45
44	Do. Apr. 13-14	113 1/2	100 1/2	9.55
44	Do. Apr. 14-15	114 1/2	100 1/2	9.65
44	Do. Apr. 15-16	115 1/2	100 1/2	9.75
44	Do. Apr. 16-17	116 1/2	100 1/2	9.85
44	Do. Apr. 17-18	117 1/2	100 1/2	9.95
44	Do. Apr. 18-19	118 1/2	100 1/2	10.05
44	Do. Apr. 19-20	119 1/2	100 1/2	10.15
44	Do. Apr. 20-21	120 1/2	100 1/2	10.25
44	Do. Apr. 21-22	121 1/2	100 1/2	10.35
44	Do. Apr. 22-23	122 1/2	100 1/2	10.45
44	Do. Apr. 23-24	123 1/2	100 1/2	10.55
44	Do. Apr. 24-25	124 1/2	100 1/2	10.65
44	Do. Apr. 25-26	125 1/2	100 1/2	10.75
44	Do. Apr. 26-27	126 1/2	100 1/2	10.85
44	Do. Apr. 27-28	127 1/2	100 1/2	10.95
44	Do. Apr. 28-29	128 1/2	100 1/2	11.05
44	Do. Apr. 29-30	129 1/2	100 1/2	11.15
44	Do. Apr. 30-31	130 1/2	100 1/2	11.25
44	Do. Apr. 31-32	131 1/2	100 1/2	11.35
44	Do. Apr. 32-33	132 1/2	100 1/2	11.45
44	Do. Apr. 33-34	133 1/2	100 1/2	11.55
44	Do. Apr. 34-35	134 1/2	100 1/2	11.65
44	Do. Apr. 35-36	135 1/2	100 1/2	11.75
44	Do. Apr. 36-37	136 1/2	100 1/2	11.85
44	Do. Apr. 37-38	137 1/2	100 1/2	11.95
44	Do. Apr. 38-39	138 1/2	100 1/2	12.05
44	Do. Apr. 39-40	139 1/2	100 1/2	12.15
44	Do. Apr. 40-41	140 1/2	100 1/2	12.25
44	Do. Apr. 41-42	141 1/2	100 1/2	12.35

[illegible][illegible]

AMERICANS:

7-23	Stock	\$	+	Div.	Cm.
12	ASA	14		90c	
18	AMF 5% Cn. W.	22		57c	
20	Ames S. S.	22		57c	
22	Ames S. S.	22		57c	
24	Ames S. S.	22		57c	
26	Ames S. S.	22		57c	
28	Ames S. S.	22		57c	
30	Ames S. S.	22		57c	
32	Ames S. S.	22		57c	
34	Ames S. S.	22		57c	
36	Ames S. S.	22		57c	
38	Ames S. S.	22		57c	
40	Ames S. S.	22		57c	
42	Ames S. S.	22		57c	
44	Ames S. S.	22		57c	
46	Ames S. S.	22		57c	
48	Ames S. S.	22		57c	
50	Ames S. S.	22		57c	
52	Ames S. S.	22		57c	
54	Ames S. S.	22		57c	
56	Ames S. S.	22		57c	
58	Ames S. S.	22		57c	
60	Ames S. S.	22		57c	
62	Ames S. S.	22		57c	
64	Ames S. S.	22		57c	
66	Ames S. S.	22		57c	
68	Ames S. S.	22		57c	
70	Ames S. S.	22		57c	
72	Ames S. S.	22		57c	
74	Ames S. S.	22		57c	
76	Ames S. S.	22		57c	
78	Ames S. S.	22		57c	
80	Ames S. S.	22		57c	
82	Ames S. S.	22		57c	
84	Ames S. S.	22		57c	
86	Ames S. S.	22		57c	
88	Ames S. S.	22		57c	
90	Ames S. S.	22		57c	
92	Ames S. S.	22		57c	
94	Ames S. S.	22		57c	
96	Ames S. S.	22		57c	
98	Ames S. S.	22		57c	
100	Ames S. S.	22		57c	

CANADIANS

1977-78 High Low	Stock	#	+ -	Dr. Gns.	Cr. Gns.	
13	10 1/2	10		651.00	5	4
173	171	13		92	1	1
174	171	13		92	1	1
175	171	13		92	1	1
176	171	13		92	1	1
177	171	13		92	1	1
178	171	13		92	1	1
179	171	13		92	1	1
180	171	13		92	1	1
181	171	13		92	1	1
182	171	13		92	1	1
183	171	13		92	1	1
184	171	13		92	1	1
185	171	13		92	1	1
186	171	13		92	1	1
187	171	13		92	1	1
188	171	13		92	1	1
189	171	13		92	1	1
190	171	13		92	1	1
191	171	13		92	1	1
192	171	13		92	1	1
193	171	13		92	1	1
194	171	13		92	1	1
195	171	13		92	1	1
196	171	13		92	1	1
197	171	13		92	1	1
198	171	13		92	1	1
199	171	13		92	1	1
200	171	13		92	1	1
201	171	13		92	1	1
202	171	13		92	1	1
203	171	13		92	1	1
204	171	13		92	1	1
205	171	13		92	1	1
206	171	13		92	1	1
207	171	13		92	1	1
208	171	13		92	1	1
209	171	13		92	1	1
210	171	13		92	1	1
211	171	13		92	1	1
212	171	13		92	1	1
213	171	13		92	1	1
214	171	13		92	1	1
215	171	13		92	1	1
216	171	13		92	1	1
217	171	13		92	1	1
218	171	13		92	1	1
219	171	13		92	1	1
220	171	13		92	1	1
221	171	13		92	1	1
222	171	13		92	1	1
223	171	13		92	1	1
224	171	13		92	1	1
225	171	13		92	1	1
226	171	13		92	1	1
227	171	13		92	1	1
228	171	13		92	1	1
229	171	13		92	1	1
230	171	13		92	1	1
231	171	13		92	1	1
232	171	13		92	1	1
233	171	13		92	1	1
234	171	13		92	1	1
235	171	13		92	1	1
236	171	13		92	1	1
237	171	13		92	1	1
238	171	13		92	1	1
239	171	13		92	1	1
240	171	13		92	1	1
241	171	13		92	1	1
242	171	13		92	1	1
243	171	13		92	1	1
244	171	13		92	1	1
245	171	13		92	1	1
246	171	13		92	1	1
247	171	13		92	1	1
248	171	13		92	1	1
249</						

BANKS AND HIRE PURCHASE

1978-79	Low	Stock	Price	±	Dist	Yr	Fl	FR
37	225	ALCANADA	240	+3	03:35	4.6	6.8	1.3
38	180	Algonquin D. S.	180	0	03:35	7.8	6.8	1.0
39	138	Algonquin P. 100	138	-1	2.5	6.9	6.8	0.1
40	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
41	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
42	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
43	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
44	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
45	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
46	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
47	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
48	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
49	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
50	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
51	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
52	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
53	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
54	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
55	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
56	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
57	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
58	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
59	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
60	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
61	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
62	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
63	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
64	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
65	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
66	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
67	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
68	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
69	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
70	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
71	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
72	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
73	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
74	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
75	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
76	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
77	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
78	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
79	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
80	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
81	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
82	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
83	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
84	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
85	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
86	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
87	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
88	138	Algonquin P. 100	138	-1	6.9	6.8	0.1	
89	138	Algonquin P. 100	138	-1	6.9			

Hire Purchase, etc.

124	152	Catlin's (Hedge) 10y	37m	+1	h2.03	1.7	8.3(10.4)
56	535	Cat Ware FR 100	535	-1 ₂	Q12%	—	4.3
		Credit Data 10y	89				
51	57	Lloyds & Scot 5y	111m		4.3	q1.9	5.4(4.4)
29	17	Lat Scot Fin 10y	37		1.7	2.3	7.0
50	59	Morgan Guar 10y	15		14.43	2.1	6.7(11.1)
28	164	Par. Financial	37		1.52	2.3	7.5(7.3)
122	61	Par. Financial 10y	112	-1			
17	44	Sutton (C) 10y	93		14.12	2.1	6.8(12.1)
		Wagon Finance					

BEERS WINES AND SPIRITS

57	Allied Brew.	132	132	62	47
58	Am. Nat. Gas	132	132	62	47
59	Am. Nat. Gas	132	132	62	47
60	Bank Corp. of N.Y.	132	132	62	47
61	Bank of N.Y.	132	132	62	47
62	Bank of N.Y.	132	132	62	47
63	Bank of N.Y.	132	132	62	47
64	Bank of N.Y.	132	132	62	47
65	Bank of N.Y.	132	132	62	47
66	Bank of N.Y.	132	132	62	47
67	Bank of N.Y.	132	132	62	47
68	Bank of N.Y.	132	132	62	47
69	Bank of N.Y.	132	132	62	47
70	Bank of N.Y.	132	132	62	47
71	Bank of N.Y.	132	132	62	47
72	Bank of N.Y.	132	132	62	47
73	Bank of N.Y.	132	132	62	47
74	Bank of N.Y.	132	132	62	47
75	Bank of N.Y.	132	132	62	47
76	Bank of N.Y.	132	132	62	47
77	Bank of N.Y.	132	132	62	47
78	Bank of N.Y.	132	132	62	47
79	Bank of N.Y.	132	132	62	47
80	Bank of N.Y.	132	132	62	47
81	Bank of N.Y.	132	132	62	47
82	Bank of N.Y.	132	132	62	47
83	Bank of N.Y.	132	132	62	47
84	Bank of N.Y.	132	132	62	47
85	Bank of N.Y.	132	132	62	47
86	Bank of N.Y.	132	132	62	47
87	Bank of N.Y.	132	132	62	47
88	Bank of N.Y.	132	132	62	47
89	Bank of N.Y.	132	132	62	47
90	Bank of N.Y.	132	132	62	47
91	Bank of N.Y.	132	132	62	47
92	Bank of N.Y.	132	132	62	47
93	Bank of N.Y.	132	132	62	47
94	Bank of N.Y.	132	132	62	47
95	Bank of N.Y.	132	132	62	47
96	Bank of N.Y.	132	132	62	47
97	Bank of N.Y.	132	132	62	47
98	Bank of N.Y.	132	132	62	47
99	Bank of N.Y.	132	132	62	47
100	Bank of N.Y.	132	132	62	47

50	88	Young Brew 'A' 50p	150	+2.89	3.8	2.9	13.9
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BUILDING INDUSTRY, TIMBER AND ROADS									
95	46	Aberdeen Const.	71	100	143.18	36	7.0	6.5	6.5
94	73	Acacia Const.	100	100	100.00	35	7.0	6.5	6.5
93	73	Allied Plant Ind.	100	100	100.00	34	6.1	5.6	5.6
92	73	Amalgamated Saw	100	100	100.00	33	6.1	5.6	5.6
91	118	Amalgamated Saw	276	100	18.47	32	2.4	2.2	2.2
90	118	Aspen Const.	276	100	18.47	31	2.4	2.2	2.2
89	118	Aspen Const.	276	100	18.47	30	2.4	2.2	2.2
88	118	Aspen Const.	276	100	18.47	29	2.4	2.2	2.2
87	118	Aspen Const.	276	100	18.47	28	2.4	2.2	2.2
86	118	Aspen Const.	276	100	18.47	27	2.4	2.2	2.2
85	118	Aspen Const.	276	100	18.47	26	2.4	2.2	2.2
84	118	Aspen Const.	276	100	18.47	25	2.4	2.2	2.2
83	118	Aspen Const.	276	100	18.47	24	2.4	2.2	2.2
82	118	Aspen Const.	276	100	18.47	23	2.4	2.2	2.2
81	118	Aspen Const.	276	100	18.47	22	2.4	2.2	2.2
80	118	Aspen Const.	276	100	18.47	21	2.4	2.2	2.2
79	118	Aspen Const.	276	100	18.47	20	2.4	2.2	2.2
78	118	Aspen Const.	276	100	18.47	19	2.4	2.2	2.2
77	118	Aspen Const.	276	100	18.47	18	2.4	2.2	2.2
76	118	Aspen Const.	276	100	18.47	17	2.4	2.2	2.2
75	118	Aspen Const.	276	100	18.47	16	2.4	2.2	2.2
74	118	Aspen Const.	276	100	18.47	15	2.4	2.2	2.2
73	118	Aspen Const.	276	100	18.47	14	2.4	2.2	2.2
72	118	Aspen Const.	276	100	18.47	13	2.4	2.2	2.2
71	118	Aspen Const.	276	100	18.47	12	2.4	2.2	2.2
70	118	Aspen Const.	276	100	18.47	11	2.4	2.2	2.2
69	118	Aspen Const.	276	100	18.47	10	2.4	2.2	2.2
68	118	Aspen Const.	276	100	18.47	9	2.4	2.2	2.2
67	118	Aspen Const.	276	100	18.47	8	2.4	2.2	2.2
66	118	Aspen Const.	276	100	18.47	7	2.4	2.2	2.2
65	118	Aspen Const.	276	100	18.47	6	2.4	2.2	2.2
64	118	Aspen Const.	276	100	18.47	5	2.4	2.2	2.2
63	118	Aspen Const.	276	100	18.47	4	2.4	2.2	2.2
62	118	Aspen Const.	276	100	18.47	3	2.4	2.2	2.2
61	118	Aspen Const.	276	100	18.47	2	2.4	2.2	2.2
60	118	Aspen Const.	276	100	18.47	1	2.4	2.2	2.2
59	118	Aspen Const.	276	100	18.47	0	2.4	2.2	2.2
58	118	Aspen Const.	276	100	18.47	0	2.4	2.2	2.2
57	118	Aspen Const.	276	100	18.47	0	2.4	2.2	2.2
56	118	Aspen Const.	276	100	18.47	0	2.4	2.2	2.2
55	118	Aspen Const.	276	100	18.47	0	2.4	2.2	2.2
54	118	Aspen Const.	276	100	18.47	0	2.4	2.2	2.2
53	118	Aspen Const.	276	100	18.47	0	2.4	2.2	2.2
52	118	Aspen Const.	276	100	18.47	0	2.4	2.2	2.2
51	118	Aspen Const.	276	100	18.47	0	2.4	2.2	2.2
50	118	Aspen Const.	276	100	18.47	0	2.4	2.2	2.2
49	118	Aspen Const.	276	100	18.47	0	2.4	2.2	2.2
48	118	Aspen Const.</							

9	Miller (Stan) Inc.	11	1.2	7.8
43	Mixconcrete	60	1.6	7.3	12.6

[illegible]

CHEMICALS PLASTICS

[illegible]

[illegible]

DRAPERY AND STORES

[illegible]

ENGINEERING MACHINE TOOLS

MACHINE		FOOLS	
110	72	110	+5
120	139	222	3.06
130	139	222	2.52
140	96	222	1.58
150	96	222	1.36
160	286	271	F10.0
170	432	217	54.1
180	152	271	4.4
190	152	271	4.4
200	57	131	12.56
210	138	131	5.2
220	57	131	5.2
230	138	131	5.2
240	42	131	2.67
250	124	131	2.67
260	22	131	3.8
270	22	131	3.8
280	22	131	3.8
290	22	131	3.8
300	22	131	3.8
310	22	131	3.8
320	22	131	3.8
330	22	131	3.8
340	22	131	3.8
350	22	131	3.8
360	22	131	3.8
370	22	131	3.8
380	22	131	3.8
390	22	131	3.8
400	22	131	3.8
410	22	131	3.8
420	22	131	3.8
430	22	131	3.8
440	22	131	3.8
450	22	131	3.8
460	22	131	3.8
470	22	131	3.8
480	22	131	3.8
490	22	131	3.8
500	22	131	3.8
510	22	131	3.8
520	22	131	3.8
530	22	131	3.8
540	22	131	3.8
550	22	131	3.8
560	22	131	3.8
570	22	131	3.8
580	22	131	3.8
590	22	131	3.8
600	22	131	3.8
610	22	131	3.8
620	22	131	3.8
630	22	131	3.8
640	22	131	3.8
650	22	131	3.8
660	22	131	3.8
670	22	131	3.8
680	22	131	3.8
690	22	131	3.8
700	22	131	3.8
710	22	131	3.8
720	22	131	3.8
730	22	131	3.8
740	22	131	3.8
750	22	131	3.8
760	22	131	3.8
770	22	131	3.8
780	22	131	3.8
790	22	131	3.8
800	22	131	3.8
810	22	131	3.8
820	22	131	3.8
830	22	131	3.8
840	22	131	3.8
850	22	131	3.8
860	22	131	3.8
870	22	131	3.8
880	22	131	3.8
890	22	131	3.8
900	22	131	3.8
910	22	131	3.8
920	22	131	3.8
930	22	131	3.8
940	22	131	3.8
950	22	131	3.8
960	22	131	3.8
970	22	131	3.8
980	22	131	3.8
990	22	131	3.8
1000	22	131	3.8

FOOD, GROCERIES ETC.

137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647
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HOTELS AND CATERERS

[illegible]

High		Low	Stock	Price	+ or -	Dkt Net	Cvt	Yld Gr%
7	30	34	Lon Merchant	95	-2	11.25	4.2	1.21
10	40	40	Mat & G. Rhods-5p	107		15.15	3.1	1.51
9	22	22	Majestic Inc-10p	39		0.68	2.2	2.62
8	50	50	Martin & P.P.-50	72		5.98	1.1	12.61
23	950	950	Mason Mt. & Ruffy	965	-35	QSI 36		7.6
12	13	13	50 P.P. Inc. 125p	172		1.3	0.7	11.3
5	200	200	Am Pac P. & S. 10p	200	-10			

26	Parakeet 100	20	1	26	6.7
30	Parakeet 100	22	1	26	6.7
120	Parakeet 100	240	2	6.19	4.7
141	Parakeet 100	530	1	9.34	6.5
2	Parakeet 100	11	0.44	0.9	6.02
47	Parakeet 100	125	3.02	1.7	3.7
140	Parakeet 100	60	0.425	8.5	8.5
37	Parakeet 100	650	4.47	11	11.31
71	Parakeet 100	8	+	+	+
121	Parakeet 100	228	0.22	9.9	9.9
100	Parakeet 100	925	0.502	4.8	4.8
32	Parakeet 100	26	0.1	1.7	1.7

22	West of England	37	1.38	3.1	5.7
33	Tyule Canto 10p	77	7.24	3.5	2.41

OILS

46	Attock 51p	112	4.26	8.9	5.8
130	Brit. Borneo 10p	154	+2	76.13	1.61
776	Brit. Petrol m fl	836	+6	822.10	3.0
60	Do. 8. P. 51	794	5.6	394.11	

401	Burmah FI	54					
440	Do. In 91.86	54					
410	WCCP Std. Sea	51 1/2					
44	Century 100	51	-3	12.43	3 1/2	7.2	
48	Chamberlain 5p	29	-1				
412 1/2	Cie Fr. Petrols B	512 1/2					
400	Holland Oil Co	450					
100	W. C. Petrol	142	+4				
71	Deventer 50c	20					
24	NCA	166					
162	LASMO	58	+2				

680	LASMO-7, DM-8	119			Q 14		62.9
267	LASMO-Cpe-10p	410					
78	Oil Expl. 10p.	298			1.92	3.3	1.0
8	Pioneer Comm. 3p	19					
114	Ranger Oil	515.5					
11	Reynolds Div. 1c	15					
235	R.R. Dutch Fl. 2p	535			1050	2.5	6.9
454	Shell Trans. Rec.	522			114.28	4.7	4.1
54	T. & W. Fl. 1c	681.4			4.9	14.6	11.3
88	Whitcomb C.E.F.	284					
555	Texaco-44% Cor.	556			643.5		18.7
190	Transcentral	174			1.27	4.5	0.722

116	Ultrafine	230	-2	—	—	—	—
85	Da. 7pc Conv.	134 1/2	—	7 1/2	13 0	7 1/2	—
50	Weeks Nat. 10cbs	90	—	—	—	—	—
50	Da. Pld. Ord. 10c.	90	—	Q15 1/4	—	10 1/2	—
4	Da. Options	61	—	—	—	—	—
19	Woodrife 350c.	1	-1	—	—	—	—

OVERSEAS TRADERS

93 1/2	African Lakes	285	—	12 7/5	30 5	1 3/2	2
42	Unit. Agric. 50c	63	—	Q2 5c	—	—	—

[illegible]

10	James Sugar	77	-1	16.45	3.6	12.7	3
12	Leorio	82	0	16.45	3.6	12.3	3
36	Matchless	82	+2	11.37	4.1	12.3	3
146	Nigerian Alex	98	0	11.37	4.1	7.6	3
72	Ocean Wings 20p	88	h2-9	3.5	3.5	4.6	3
135	Pat on 26th 10p	230	0	7.0	7.9	4.6	3
130	P: A'N'N 10p	22	0	7.0	7.9	4.6	3
41	Sanger J.E.'s 10p	50	-2	4.43	1.5	12.9	9
41	Seam Sugar 50p	81	0	B-			
91	Sissi Darby 10p	92	0	Q3.5	3.3	5.6	11
205	Steel Broc. 30p	362	0	11.2.5	4.4	5.2	5
35	Toner Kems. 50p	48	+1	3.09	2.5	18.0	6

187-78	Stock	Price	+ -	Div. Net	Curr	Yr Gr
34	Anglo-Ladones	81	+3	2.54	2.4	4

43	Bertam Cons. 2up	87	5.5	1.5	7
8	Bird (Africa)	11 $\frac{1}{2}$			
	Bradwall 10p	37	61.27	1.0	6
82	Castlefield 10p	170	s28	2	2
25	Chersunese 10p	56	2.03	1.1	5
75	Cons. Plants 10p	99	+1	Q12.0	1.2
28	Gadeti Haler 10p	47	0.71	21	
51	Grand Central 30p	8 $\frac{1}{2}$	0.55		9
155	Guthrie E1	222d	110.15	1.8	6
49	Harcos 5p, Et. 10p	69	3.05		
30	Highlands MSOC	57 $\frac{1}{2}$	1012.25		
340	Kula Cons. MS	57 $\frac{1}{2}$	Q10c	1.1	5

20	Malin 50c	280	Q11 5c	1.1	1.0
40	Lin. Sumatra 10p	290	2 D	1.6	1.3
31 1/2	Malakoff MS	49	Q11c	1.7	1.5
10	Malayalam 10p	38	4115	0.4	
12 1/2	Sinar River 10p	31 1/2	h0.43	3.1	2.7
33 1/2	Plantation Hkgs 10p	57	82.18	2.3	2.0
E104	Sungei Krian Fl	£19 1/2	50.77	1.7	1.5

India and Bangladesh					
132	Assam Doors £1	180	+9.51	5.9	8
150	Assam Frontier £1	380	+4.0	6	1
52	Assam Inrs. £1	105	7.0	3.7	10
5	Empire Planks 10p.	21 ₂	+1.98	1.6	14
123	Jokai £1	215	12.0	3.5	8
88	Longbourne £1	224	10.0	6.8	6
118	McLeod Russell £1	180	10.0	2.7	8
124	Moran £1	400	15.08	4.9	7
80	Stirling Rifles 10p.	73	+17.72	3.2	11

101	Warren Plants	186	+3	P13.0	3.6	10.
80	Williamson fl	146		9.0	4.7	9.

Sri Lanka

59	Lunuvafu	145		3.63	1.0	3.
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Africa

190	Blantyre fl	390		23.35	2.0	9.
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MINES		CENTRAL RAND	
129	Durban Deep R1 -	260	+6
178	East Rand Prg R1	326	105c
199	Randfontein's Est. E2	334 ¹	Q250c
113	West Rand R1	530 ¹	Q13r

EASTERN RAND					
55	Bracken R1	64	+11	Q25c	1.526
9	East Daga R1	21ml		1020c	
	Gowans Areas 5c	1405			
52	Grootvlei 30c	133ml		Q24c	1.8 12
205	Kimmins R1	306		Q34c	1.8 7
	Leslie 65c	377		93c	12.5
46	Marielane R1 50	841ml	+6	Q46c	1.536

29	S. Africo Ld. 35c	57	-1	1021c	10.7
33	Vlekfontein R1	57	0	Q25c	29
380	Winkelbank RD	559	+5	Q86c	1.7
16	Wit. Nigel 5c	342	+2	—	—

FAR WEST RAND

249	Rivoor 25	296d	—	1046c	2.3
510	Buifels R1	831d	—	10130c	1.4
58	Deefkraal Rd. 50	841c	+1	—	—

138	Deerfootmain Rd	2400	-2	+015e	5.1	4
430	East Drive Rd	6000	0	Q78e	0	7
97	Elmdarnd Gld. Sd	172	+6			
64	Elburg Rd	109	0	Q81e	1.0	1
800	Harrebeek Rd	9200	+14	+013e	1.9	9
290	Klood Gold Rf	4420	0	Q30e	2.3	4
175	Lubman Rd	4500	0	7045e	3.2	7
235	Snijtaal Sdc	4500	+2	Q21e	0	3
118	Stillefontein Sdc	2340	+5	Q22e	0	6
812	Vaal Reeds Sdc	£1110	0	Q115e	0	8
70	Venterspost Rd	2800	+9	705e	7.3	1
573	W. Drive Rd	£1630	0	280e	1.6	11

110	Western Areas R1	169	+3	Q13c	2.5	+	+
544	Western Deep R3	619	.....	Q25c	5	+	+
130	Zandvlei R1	173	.....	Q22c	1.0	8	+

O.F.S.

70	Free State Dev. 50c	98	.....	Q11c	1.4	8	+
787	F.S.Geduld 30c	112	+5	Q240c	2.7	12	+
68	F.S. Sasipalms R1	107	.....	.....	.....	.....	.....
235	Harmon 50c	139	.....	Q50c	4.7	9	+

49	Lorraine RI	117	+3	Q6c	0.5	3
750	Pres. Brand 50c	812	-35	Q130c	2.6	10
475	Pres. Steyn 50c	650	+8	Q20c	9.9	2
685	St. Helena RI	765		Q115c	2.5	10
108	Unigel	166		—	—	—
118	Wellspan 50c	202		Q35c	1.9	11
£10 ²	W. Holdings 50c	£14 ⁴		Q280c	1.5	13

1370	Ang. Am. Coal Soc.	455	-----	1040c	4.3	5.5	5.5
1395	Anglo Amer. life	263	+3	4735c	2.0	8.4	8.4
1311a	Ang. Am. Gold Rf	2141	-----	1018c	1.1	1.7	1.7
1627	Ang-Vaal Soc.	638m	+5	5105c	3.4	17.7	17.7
106	Charter Cons.	136	-----	97.5	1.8	1.8	1.8
137	Cons. Gold Fields	185	-----	19.5	2.6	7.4	7.4
15	East Rand Cons. Lp	21	-----	1.0	1.5	7.3	7.3
	Geduld Inv. Rf	248c	-----	940c	1.5	10.8	10.8
112	Gen. Mining Rf	1512a	+1	9210c	2.0	9.7	9.7
825	Gold Fields S.A. 25c	975	+25	9110c	0.7	7.6	7.6
1314	Johnson Cons.	517m	-----	9170c	2.2	16.8	16.8

135	Middle Wh 5c	160m		Q22-c	1.3	5.3
128	Minero SBD1.40	128		Q12-c	0.6	9.3
73	New Wh 5c	104	+3	Q15-c	0.6	9.7
880	Patino NW F1.5	880	-20	Q45-c	0.6	3.3
37	Rand Lyon 15c	57		Q55-c	3.0	5.9
70	Selection Trust	400		16.72	1.8	6.4
118	Sentrust 10c	166		10.78	1.1	7.13
32	Silverline 20c	37		3.5	2.0	14.6
925	Trawl Come 4 R1	1114		Q95-c	3.4	5.7
117	U.C. Invest R1	200	+2	Q30-c	1.1	10.0
1170	Union Corp. 8.25c	242		Q36-c	1.9	10.0

47	Vogels 2pc.....	47	-3	107 1/2c	13	10.7
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DIAMOND AND PLATINUM

19	Ancho-Am Inv 50c.	£30 1/4	104 1/2c	1 1/2	9 1/2
47	Bishopcote Pt. 10c	67	97 1/2c	0	7 1/2
188	De Beers Pt. 5c	292	-11	99 3/5c	2 1/2	8 1/2
850	Do 40pc Pl. R5	110 1/2m	92 1/2m	14.9	13.4
43	Leidenburg 12pc	56	92 7/8c	0	3 1/2
60	Rus. Plat. 10c	73	92 1/2c	1 1/2	2.3

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